

HOUSE OF REPRESENTATIVES—Wednesday, July 21, 1993

The House met at 10 a.m.

The Reverend Dr. Lawrence H. Phipps, pastor, First Baptist Church, Enterprise, AL, offered the following prayer:

Father, I praise and honor You as the creator and sustainer of our world. I acknowledge that You have provided this Nation in Your world to be an example of freedom, unity, morality, and spirituality.

We, as a nation, have always understood that there are "certain unalienable rights." The commitment to these rights has brought on needed revolutions, here and abroad. Now, help us to be committed to our responsibility so You can bring to us needed revival, here and abroad.

I pray that those who lead through this House of Representatives will always remain aware of this responsibility. May they seek Your wisdom, first. May they seek Your will foremost.

You are the King of this world's kings. You are the Lord of this world's lords. Help us to follow Your Kingship and Lordship.

In Jesus name I pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentleman from New York [Mr. LAZIO] please come forward and lead the House in the Pledge of Allegiance.

Mr. LAZIO led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

THE REVEREND DR. LAWRENCE H. PHIPPS

(Mr. EVERETT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. EVERETT. Mr. Speaker, on behalf of the Members of the 103d Congress, today it is with great pride and respect that I welcome Dr. Lawrence Phipps to this historic Chamber. For 3 years, Dr. Phipps has served as my pastor at First Baptist Church of Enterprise, AL.

I, along with many others, have come to recognize and appreciate this man who routinely demonstrates his natural generosity and genuine desire to selflessly meet the needs of those who gather under his wisdom and experience. Dr. Phipps' theological experience has been enhanced by his educational and professional diversity. He received a master of divinity degree and a doctorate degree of ministry while attending Southern Baptist Theological Seminary. Currently, Dr. Phipps continues his association with his former seminary by serving as field supervisor for doctor of ministry students of Southern.

During the last few years, while continuing to perform his pastoral duties, Dr. Phipps has continued to advance within his field. Presently, he sits as a trustee of Samford University in Birmingham, on the tellers committee of the Alabama Baptist Convention, and serves as president of the Alabama Alumni Association of Southern Baptist Theological Seminary. He also is past chairman of the personnel committee for Coffee County Baptist Association.

It is with great pleasure and admiration that I welcome my pastor and personal friend, Dr. Phipps, to deliver today's opening prayer.

THE CLINTON-DEMOCRATIC PLAN: PRO-JOBS AND PRO-SMALL BUSINESS

(Ms. DELAURO asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. DELAURO. Mr. Speaker, shortly this body will consider one of the boldest deficit reduction and job creating legislative packages it has ever seen. Central to the plan is the assistance and incentives it provides to small businesses—where the bulk of our new jobs are being created. The Clinton-Democratic plan is a pro-jobs and pro-small business plan containing the balance of cuts and incentives that will finally revive our economy.

Contrary to the disinformation being spread by political opponents of the President's plan, this proposal helps small business. The vast majority—96 percent—of all small businesses will not be affected by any tax increases in the plan. And more importantly, almost 90 percent of small businesses will see some form of tax break in the form of target capital gains, increased expensing, or health care deductions.

Many of those who today criticize the President's plan can hardly afford to. Critical independent groups have in the past endorsed many of the proposals included in the President's plan. Others, as yesterday's Wall Street Journal noted, have mischaracterized the effect of the plan. And those in Congress who are critical have little in their past that shows us how to proceed. Under the previous administration small business failures increased by 77 percent.

The President, and this House, have proposed and endorsed a plan with solid small business incentives. With real potential for job creation. We must finish our job. Pass the President's plan and get our Nation moving forward again.

HOUSE POST OFFICE SCANDAL

(Mr. PAXON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PAXON. Mr. Speaker, the House post office scandal represents in microcosm all that is wrong with this House, 40 years of one-party control, doors closed to public scrutiny, and putting personal interest above the public interest.

When the post office scandal first broke, the Democratic leadership assured us that there was nothing wrong, but recent events have proven them wrong. The point is, if Americans cannot trust the Democrats to run a tiny post office, how can folks back home trust the Democrats to balance the budget and to tell the truth about their budget plan?

The Democrats want the American people to believe that their budget, written behind closed doors, will help the economy. But taxpayers now understand that the Democrats' budget, with the largest tax increase in American history, will not reduce the deficit but will place a heavy tax burden on working families, small businesses, and the retired.

Mr. Speaker, it is time for Congress to be honest with the American people, whether it is the House post office scandal or the budget; folks back home deserve to know the truth, they expect no less.

FOREIGN AID: THE SACRED COW

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

Mr. TRAFICANT. Mr. Speaker, what tax will it be: Btu tax, fuel tax, corporate taxes?

Once again Americans are being asked to bite the bullet, but who is kidding whom? This year we passed another \$15 billion foreign aid bill. \$15 billion in foreign aid is equal to a 15-cents-per-gallon fuel tax or the entire Btu tax of this President.

But the truth is foreign aid is a sacred cow and Congress would rather pass taxes on you, the American people, than cut that sacred cow in foreign aid.

I am saying that Congress is right now robbing from Peter to pay Paul, and it does not stop there. Now they are paying Boris and everybody else all over the world.

I am saying it is time to stop this madness. Congress should be ashamed of themselves for continuing to tax the American people and give it away overseas.

DEMOCRATIC LEADERSHIP STONEWALLED ON THE HOUSE POST OFFICE SCANDAL

(Mr. SANTORUM asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SANTORUM. Mr. Speaker, on Monday the postmaster, the former postmaster of the House, pled guilty to actions that took place in the House post office, not just in the last couple of years, having to do with embezzlement, but things having to do with 15 years ago. Fifteen years, there has been illegal activity being conducted in the House post office, and all that time the Democratic leadership stonewalled. Reports came out, stonewalled; they slammed the door, barricaded the door, and they said, "No, there is nothing wrong."

We would knock, and they would say, "Nobody is home." And we would walk away. We would knock again, and they would say, "Oh, nobody is home," and we would walk away.

Mr. Speaker, it is time to break down the doors, let the people see what was going on, not just in the post office, ladies and gentlemen, but what was going on in the Speaker's office to continue to cover this scandal up for 15 years. It is time to break down the doors and disclose the information.

□ 1010

SMALL BUSINESS WILL BENEFIT FROM CLINTON PLAN

(Mr. SKAGGS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SKAGGS. Mr. Speaker, they are at it again. The princes of privilege and the dukes of distortion are trying to

scare the American people—this time telling them that the Clinton economic plan hurts small businesses. Nice rhetoric—but far from the truth.

They say that the Clinton plan is bad for the economy. The fact is that the markets have given Clinton a strong vote of confidence—interest rates have fallen to their lowest level in 20 years. And 1 million new jobs have been created since January.

They claim the Clinton plan will stunt the growth of small businesses. The truth is that the President's plan includes incentives targeted specifically to help small businesses invest, grow and prosper. There is a capital gains tax cut for smaller firms; a doubling of the amount of new equipment that can be expensed in the first year; and a host of other expensed provisions that will help small businesses invest in both plant and people.

Clinton's critics do not want you to know about that. Instead, they rant and rave—saying that mom and pop operations are going to be taxed out of business. Again, let us look at the truth. Only 4.3 percent—that's right 4.3 percent—of small business people will see their taxes go up under the Clinton plan.

They don't tell you that. Why? They don't want you to know that those very few small business owners whose taxes will go up are those making, on average, over half a million dollars a year—the same folks still benefiting from the tremendous tax breaks they got during the Reagan-Bush years. Yes indeed, the Clinton plan demands that they start paying their fair share.

With all their misleading talk about what the Clinton plan does, you have to wonder, who are the Republicans really trying to protect?

THE TAX KILLER

(Mr. KINGSTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KINGSTON. Mr. Speaker, Jerry Clower has a story about Eugene and Clem going coon hunting. Clem chases what he thinks is a raccoon up a tree, only to find it is a bobcat. Immediately they start wrestling, tussling, scratching, and fighting.

Finally Clem hollers down to Eugene, "Gene, shoot this thing. It's killing me."

Gene hollers back, "I can't get a fix on him, Clem."

Gene says, "Well, just shoot up here amongst us. One of us needs some relief."

Mr. Speaker, that bobcat is taxes and Gene and Clem are our constituents. They need some relief. They have been wrestling, fighting, scratching, with this thing called taxes for too long.

The President was elected on the promise of a middle-class tax cut, not a tax increase.

Every weekend that I go home, they holler to me, "Give me some relief. I can't stand these taxes, but they go up and up."

Mr. Speaker, let us give them that relief, because they are going to pull the trigger in November 1994. Let us not fool ourselves with rhetoric now. Folks know a tax increase when they see one, small businesses, working people included.

Mr. Speaker, let us vote "no" on higher taxes. Give them some relief.

SMALL BUSINESS

(Ms. SHEPHERD asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. SHEPHERD. Mr. Speaker, Americans need to know that reducing the deficit means business—and especially small business.

Let us talk about the details of the President's deficit reduction package. The plan doubles the equipment write-off for small business investment. The bill cuts the capital gains tax in half for investment in new, high-technology businesses. The bill extends the deduction for health insurance premiums for the self-employed retroactively.

As the former owner of a small business, I know these policies will help. I know it matters that 96 percent of all small businesses will be free of any tax increases. The Wall Street Journal says opponents of this plan have deliberately misled the American people. This is a time to lead, not mislead. Studies show these provisions will create 200,000 new small business jobs—just the shot in the arm our economy needs.

I urge my colleagues to break the gridlock on Capitol Hill and support the President's deficit reduction plan. It is a vote for small business, not business as usual.

CUT RADIO FREE EUROPE

(Mr. KLUG asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KLUG. Mr. Speaker, I and a number of my colleagues were frustrated yesterday because we were never allowed to offer an amendment on this floor to cut 15 percent out of the operating budget of Radio Free Europe and Radio Free Liberty, because we were told that \$32 million in cuts would devastate an agency that obviously did good work throughout the cold war, but I and a number of other people think is now in many ways an outdated relic.

Consider these facts this morning in the Washington Post. It turns out that the president of the Munich-based operation receives \$316,000 in salary, including a \$52,000 post allowance for living

expenses and payment of German taxes.

The director of Radio Free Europe receives a package worth \$318,000 and the personnel director gets a package worth \$232,000.

At a time of \$400 billion deficits, we are spending \$250 million a year telling the people of Russia what they already know, that Soviet rule was miserable.

It is time to get serious about the deficit and cut Radio Free Europe and cut these exorbitant salaries.

MISREPRESENTATIONS ABOUT THE ECONOMY

(Mr. HOAGLAND asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HOAGLAND. Mr. Speaker, we have been hearing an enormous amount of rhetoric and misrepresentations from groups like the Citizens for a Sound Economy and others about the reconciliation bill before the conference committee and how it is bad for small business.

Well, I commend to your attention an article written yesterday in the Wall Street Journal with the headline, "Foes of Clinton's Tax Boost Proposals Mislead the Public and Firms on Small Business Aspect."

Now, my colleagues have already talked this morning about increasing the expensing for small businesses, more than doubling it, about the targeted capital gains tax relief that was in the House bill; but you know, when it comes right down to it, the most important thing of all that the Clinton proposal does for small business is to keep interest rates low. The prime rate is lower now than it has been in 25 years.

I talked to a constituent from Omaha yesterday who just got a 15-year mortgage for 6½ percent. That is what is important about this package.

TRIBUTE TO THE LATE MIKE WALDMAN OF NEWSDAY

(Mr. LAZIO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LAZIO. Mr. Speaker, being a newcomer to this institution can be a daunting experience. Yet, from the start, Mike Waldman of Newsday reached out to me with a genuine desire to be helpful. And helpful he was. I am deeply saddened by his death on Monday.

Mike was always there when I had questions about how things really worked in this crazy town and in this unique institution. His sage advice reflected not only his many years of journalistic experience, it also reflected his innate political sachel [common sense]. I will miss his counsel very much, but I will miss his friendship even more.

In a world with so many out for No. 1 and willing to step on others in order to boost themselves, it was refreshing to know Mike Waldman who gave so much and yet asked for nothing in return. In an environment where adversarial relations between the press and politicians are the norm, and the two groups generally view each other with suspicion, if not contempt, Mike Waldman stood above it all.

Mr. Speaker, here were two people from very different worlds—Mike having covered Presidential campaigns and other important political happenings for decades, and me, a brandnew Member of Congress. It was an odd couple that emerged at the end of one career and, perhaps, the beginning of another.

I wish I could find more eloquent words to describe the person behind the name and face. To be able to pick up the phone and just talk and be absolutely honest with each other—that is what I will miss the most about Mike Waldman.

REBUILDING THE ASYLUM SYSTEM

(Mr. MAZZOLI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MAZZOLI. Mr. Speaker, we cannot expect a pickup to carry the weight a dump truck can carry. Pretty soon the pickup breaks down and has to be rebuilt. That is exactly the analogy for our current asylum system. It has been asked to bear too heavy a load. It has broken down and needs to be rebuilt.

A bill, H.R. 2602, was introduced by the gentleman from Kentucky, along with his colleagues and his friends, the gentleman from New York [Mr. SCHUMER] and the gentleman from Florida [Mr. MCCOLLUM] that would in fact rebuild and revitalize the asylum system so it is there to grant asylum protection from persecutions to those who deserve it, but to deny that same protection to the people who do not deserve it.

The section of the bill authorized by the gentleman from New York [Mr. SCHUMER] deals primarily with keeping people out of the United States who are attempting to travel with fraudulent papers. The section of the gentleman from Florida [Mr. MCCOLLUM] would provide an expedited but fair hearing for those who plead asylum when they reach this shore. And, my part of the bill would make general changes in the asylum law to reduce the lengthy, almost interminable, hearings and appeals of today's law.

Once again, Mr. Speaker, the asylum system is broken and we have to fix it.

THE BYRD RULE

(Mr. EWING asked and was given permission to address the House for 1

minute and to revise and extend his remarks.)

Mr. EWING. Mr. Speaker, leading House negotiators on the tax bill conference committee are looking for ways to dump the other body's Byrd rule. The Byrd rule prohibits the bill from containing items which do not directly reduce the deficit.

The President and House Democrats have been working hard to convince the American people that this massive tax increase bill is a deficit reduction package. If this is the case, why are we afraid of the Byrd rule? If our No. 1 goal is to reduce the deficit, we should have no problems with the Byrd rule.

The forceful reaction of House Democrat leaders against the Byrd rule makes me wonder just what they intend to tuck away in the tax bill during their secret meetings. And it really makes me wonder whether they are as committed to deficit reduction, as they profess.

Mr. Speaker, the Byrd rule could actually force Congress to keep its promise of passing a deficit reduction bill. Maybe that is why Democrats are trying to kill the Byrd rule.

□ 1020

A SURGEON GENERAL WHO TALKS SENSE IS THE RIGHT WOMAN FOR THE JOB

(Mrs. KENNELLY asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. KENNELLY. Mr. Speaker, yesterday I met an exceptional woman. When this individual was first nominated for a high position in our new administration, I was impressed by her résumé. But what I was truly excited about was the philosophy which this woman presented. This was an individual that talked sense when she talked about choice and the right of women to have that choice. She also talked about the fact that every child born should be a wanted child. She talked with eloquence about the important issue that children should not be having children.

Mr. Speaker, this woman's name is Dr. Joycelyn Elders. She is a woman with experience; she is a woman that can talk about the fact that we have children in this country that need health care, and we have to do something about it.

Dr. Joycelyn Elders is the right woman for a very important job, Surgeon General, and I certainly hope those in the other body see fit to let us have, this country have, the help of this marvelous, exceptional woman, Dr. Joycelyn Elders.

THERE THEY GO AGAIN

(Mr. DELAY asked and was given permission to address the House for 1 minute.)

Mr. DELAY. Mr. Speaker, Americans are saying, "There they go again." The Democrat leadership of this House is, for the umpteenth time, tied closely to corruption. For 20 years the House postmaster, who reported directly to the House Democrat leadership, traded stamps with Congressmen for cash.

It is ironic, Mr. Speaker, that when there is a whiff of wrongdoing anywhere in America, in a business, in the Pentagon, in a Republican administration, faster than a speeding sound bite, House Democrats want an investigation. But when a rotten stench of corruption rises in this House or in the Clinton White House with Travelgate, the House Democrat leadership sits on its arrogant hands and prays that the American people forget about the whole thing.

Well, that's not good enough. Americans will no longer tolerate Democrat duplicity and delays. In the post office, in the cases of Congressmen A and B, maybe obstruction of justice, and in the Clinton White House Travelgate case Americans want the truth. Not Democrat coverups.

THE TRAGIC STORY OF GUADALUPE NEGRON

(Ms. VELÁZQUEZ asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. VELÁZQUEZ. Mr. Speaker, last week the horrifying story of Guadalupe Negron, a Bronx woman who died during a botched abortion, filled every newspaper in New York City. Our horror intensified when we found out that the doctor performing the procedure had his license suspended by the New York State Health Department 8 years ago and allegedly had it revoked last year. We also learned that paramedics, who were called to attempt to save Negron, described the clinic as "disgusting and filthy."

This tragic story highlights the plight of Ms. Negron and other poor women in this country who are subjected to substandard health care services simply because of their economic status.

Mr. Speaker, the message to Congress is clear. When we begin the debate on health care legislation, we must guarantee universal access to quality care and ensure that we prevent unqualified doctors from preying on poor and immigrant women. Until we eradicate the two-tiered system of health services, we will continue to be haunted by the senseless and tragic deaths of poor women in this Nation.

WHITE HOUSE ANESTHETIC

(Mr. SMITH of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SMITH of Texas. Mr. Speaker, the White House must be trying to anesthetize us to the outrages by increasing their number.

For months they have been trying to hide a tax-and-spend program by calling it deficit reduction. The new spending is as much a step away from deficit reduction as the hundreds of billions of dollars of new taxes is a step back from fiscal responsibility. Without so much as blinking, the President has looked the American people in the eye and told them this economic outrage is going to be good for them and the country.

Now that America has seen through the budget numbers, the administration has come up with something new. They came up with Travelgate. In case you missed it, these are the only cuts the White House has proposed that weren't in defense.

As if the White House travel office were not enough, we now have a House post office in desperate need of more investigation. The problem is the District of Columbia doesn't have a U.S. attorney to handle it. Why? Because the White House hasn't gotten around to replacing the 51 it fired earlier this year.

This scandal-of-the-month strategy will not work any better than their tax-and-spend economic one. In fact, what America needs from this administration are more explanations and less public relations.

THE CLINTON ECONOMIC PLAN IS CLEARLY CREATING JOBS

(Mr. FAZIO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FAZIO. Mr. Speaker, the record is beginning to be made. This administration has created, since the inauguration, over 800,000 jobs in this country, 1 million since January 1. Eighty percent of all the jobs created in the 4 years of the Bush administration have been already created in the first 6½ months of this administration.

The record is clear, and the economic package that we will be adopting here in several weeks is more evidence that the Democrat majority in this House and our President in the White House understand that the engine of job growth is through entrepreneurs and small business. We will be providing not only continued lower interest rates, but increased expending for small business, capital investment through reductions in capital gains for investments in small business, relief from the corporate minimum tax, and the permanent extension of the 25-percent deduction for health insurance of the self-employed.

Mr. Speaker, the economic plan of the Clinton administration is already coming into clarity. It works, and it

will continue to provide jobs for the American people.

JUST THE MAGIC OF HIS PERSONALITY

(Mr. ARMEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ARMEY. Mr. Speaker, my colleagues have just observed the most amazing act of chutzpah in the history of this Congress. The Democrats want it both ways. On the one hand they complain to the world that we obstructionist Republicans in the minority in the House and the Senate have stopped their President from passing his package of economic policy.

Mr. Speaker, not one bit of Clinton economic policy has been signed into law, and they complain about us obstructing them.

Now, Mr. Speaker, I have said before that the complaint about Republican obstructionism is a euphemism for Democrat ineptness, but now we match the ineptness with gall. Now they are contending, during this period of time when the only economic policy that prevails in America is the Bush policy, that the Clinton policy, which has not been passed into law, has created some 184,000 jobs.

My colleagues, this is magic, pure magic. This is job creation ex ante, without legislation, without law, without policy, just the magic of his personality.

Are we not blessed?

THE TRICO STORY

(Ms. KAPTUR asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. KAPTUR. Mr. Speaker, today I would like to tell my colleagues a very compelling story:

Once upon a time there was a company called Trico, which made windshield wipers like this one. Trico had a factory in Buffalo, NY, where it employed 2,100 hard-working Americans. These workers earned \$11 an hour, enough to support their families, educate their children, and have something left over for their retirement years.

But in 1987, Trico decided to move this factory to Matamoros, Mexico, where they could pay the Mexican workers \$11 a day. Let me emphasize that: from \$11 an hour to \$11 a day. They invested millions of dollars building this new factory in Matamoros. And by 1990, 1,100 Americans were out of work. Their families and their community paid the price of broken lives, broken homes, and broken dreams.

The Mexican workers were not happy either. They earned too little to buy the American products they wanted,

including the cars on which these windshield wipers are placed. And their living conditions were atrocious. Many of them quit, but there was always someone else to take their place.

The moral of this story is that our growing free trade zone policies with Mexico have cost our country jobs. We must defeat NAFTA, the proposed United States, Mexico, Canada trade agreement.

□ 1030

LEGISLATION TO REQUIRE A CHANGE IN PRIVATE PHARMACEUTICAL RESEARCH

(Ms. SNOWE asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. SNOWE. Mr. Speaker, I rise to speak on behalf of the Pharmaceutical Testing Fairness Act and the Pharmaceutical Interactions Safety Act, which Congresswoman SCHROEDER and I are introducing today. These two bills represent a major step forward in women's health research. As the Clinical Trials Fairness Act, which was part of the previous Women's Health Equity Act, provided women of this country with the right to be included in federally funded clinical studies, these bills provide them with the same standards in private-sector pharmaceutical research.

Women comprise 51 percent of this Nation's population, and yet they have been systematically excluded from both private and public clinical study drug trials. Because their physiology is distinct from that of men, they react to drugs differently. In addition, drug interactions with women's hormones are unique. Despite these gender differences, drug manufacturers have only just begun to include women in their clinical investigations of pharmaceuticals.

These bills are the result of a General Accounting Office study which was requested by Representative WAXMAN, Representative SCHROEDER, and myself. They require testing of new drugs by private pharmaceutical companies on both women and men and mandate that new drugs also be investigated for interactions with female and male hormones.

I believe that this new legislation will make a difference in the health and safety of women and will expand the annals of medical research to ensure that women are treated equally in our health care system.

OUTTAXING AND OUTSPENDING LBJ

(Mr. BAKER of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BAKER of California. Mr. Speaker, throughout the 1992 Presidential campaign, Bill Clinton promised to be a new kind of Democrat and to break free from the tax-and-spend policies of the Democratic Party. He promised to vigorously pursue deficit reduction, reduce the tax burden faced by the middle class, and practice fiscal restraint.

However, the budget that President Clinton submitted to Congress is reminiscent of Democratic tax-and-spend policies of the past. The President proposes more Federal spending than the greatest tax-and-spender of them all: Lyndon Johnson. Of course, the President would never call it spending; he coyly refers to it as investment. Investment in what? Investment in a larger deficit to pass to our children?

President Clinton has also proposed the greatest tax increase in American history, larger than any submitted by Lyndon Johnson or Jimmy Carter. Of course, President Clinton would never refer to a tax increase as a tax increase; he cleverly refers to it as a contribution. Unfortunately, the bulk of these contributions are shouldered by the working class, undermining President Reagan's efforts to lighten the tax burden placed upon middle-class Americans.

Mr. Speaker, it is time for President Clinton to stop this doublespeak. Taxes are not contributions and excessive Government spending is not investment. If the President refuses to honor his campaign pledges, at least he can be forthright with the American people in admitting it.

POST OFFICE SCANDAL ADDS TO WOES OF THE HOUSE

(Mr. GRAMS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GRAMS. Mr. Speaker, this House cannot afford another coverup.

As a new Member, one of the things that prompted me to run for office was my concern for this institution.

After the House bank capped a series of scandals, this House suffered a serious loss of credibility with the American people.

That has not only been an embarrassment to our Nation, it has created an atmosphere of distrust and seriously impedes the ability of this House to act with the confidence of the American people.

Now, we face another serious scandal involving the House post office.

Mr. Speaker, the American people can only take so much of this before they decide to throw out the entire institution.

If you were surprised by the dramatic turnover last year, just imagine what will happen if this House ignores the concerns of the American people once again.

If people in Japan could shed four decades of one party rule of their legislative body because of repeated scandals, the American people can do it here too.

Mr. Speaker, it is time to come clean. It is up to you to get all the facts out, and make sure the American people get a complete and unsanitized record of what happened in the post office.

That is what the American people want and it is what they deserve.

MARKETING ISN'T EVERYTHING

(Mr. HERGER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HERGER. Mr. Speaker, last Saturday's Washington Post revealed that the Clinton administration is discouraging proponents of its economic plan from talking about the plan's specifics.

Instead, according to a White House memo, the plan's backers should "never forget that the optimism, energy, and enthusiasm you project" when selling the plan "is vital."

The memo goes on to say "even your most cynical critics will walk away impressed with your commitment * * * your body language, attitude, and confidence will be infectious."

Mr. Speaker, the American people already know the Clinton plan is the largest tax increase in America's history, and that it adds an additional \$1 trillion to our debt over the next 5 years.

Mr. Speaker, the only thing the American people don't know is why anyone would even think about smiling while promoting this proposal.

BENEFITS OF SMALL BUSINESS UNDER THE CLINTON PLAN

(Ms. SLAUGHTER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. SLAUGHTER. Mr. Speaker, President Clinton's plan is good for small business, but this message has been lost in the distorted rhetoric of those who oppose it. I quote from yesterday's Wall Street Journal, "Opponents of the Democrat's plan to raise taxes on upper-income people realize there isn't much point in seeking sympathy for the rich. Small business, on the other hand is almost sacred."

But the fact is that most small businesses have no reason to be concerned. Under the Clinton plan, 96 percent of small businesses will be exempt from any new taxes in the Clinton plan.

In fact, if a small business owner pays taxes at the corporate rate, even if the corporate tax rate is raised to 35 percent, a company would have to be creating a profit of \$10 million or more to be affected.

The President's plan will help these small business leaders by doubling the investment that small businesses will be able to expense and offering a provision to cut capital gains taxes for new investment in their businesses.

And there are already signs that it is working. Business reaction to the plan has meant the creation of 50 percent more jobs in the last 6 months than in all of George Bush's 4 years.

Now, having set the record straight, let me add how sick and tired I am of those political opponents of this plan using false or misleading information to try and frighten businessmen and women into opposing the plan. This manipulation is dishonest—it preys on a vulnerable, already-worried work force and I hope it will soon stop.

Let us have a fair, open, and honest debate about how we can best make America work again. We have got to. After all, it is worth it.

QUOTA LANGUAGE SPOILS RTC FUNDING BILL

(Mrs. MEYERS of Kansas asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. MEYERS of Kansas. Mr. Speaker, H.R. 1340, to provide additional funding for the Resolution Trust Corporation, is scheduled for consideration later this week. In the past, I have supported all RTC funding measures, and have supported the many civil rights measures that have been before us in the past 8 years.

I cannot support H.R. 1340, however, because of the quota language contained in the bill. From 1989 through February 1993, 30 percent of all RTC contracts have been awarded to minority- and women-owned businesses [MWOB's]; so I simply do not understand why the Banking Committee chose to add quota provisions to an otherwise sensible piece of legislation.

H.R. 1340 would require an even distribution of RTC contracts among minority- and women-owned businesses whose total number of registered contractors comprise not less than 5 percent of all minority- or women-owned registered contractors. So far as I can tell, only three groups fall into this category—women-owned businesses, black-owned businesses, and Hispanic-owned businesses. "Evenly distributed" means that if the first minority contract was awarded to a women-owned business, the next would have to be awarded to a black-owned business, and the next to a Hispanic-owned business. Then the process would begin again. This is a quota within a quota and sets a terrible precedent.

This provision, if enacted, will tie the RTC in knots. The purpose of this legislation is to get our financial institutions out of trouble, and that is what we should be doing.

I hope these provisions are stricken, so that I can support providing the RTC with sufficient funding to complete its resolution of the savings and loan crisis.

LIFT THE BOSNIAN ARMS EMBARGO

(Mr. ENGEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ENGEL. Mr. Speaker, the leaders of the European Community have once again rejected Bosnian pleas to lift the arms embargo on the Sarajevo government. Instead they are now acquiescing to the partition of Bosnia and Herzegovina and the triumph of Serbian and Croatian aggression.

EC leaders have stated that lifting the arms ban would lead to more fighting on the ground and an escalation of the violence. I oppose this misguided viewpoint, which aids the aggressor and hurts the victim. It is shameful that the Western World has acquiesced to Serbian land grabs and ethnic cleansing. Help must be forthcoming for the besieged Moslem population in Sarajevo and Bosnia. And while we're in the neighborhood, let's not forget the brave people of Kosova, who may be next on the Serbian aggression chain.

The new talk of dividing up Bosnia along ethnic lines is a disgrace. In practice this dooms the Moslems—who account for 44 percent of the Bosnian population—to living in small ghettos in two tiny parts of Bosnia, surrounded by hostile Croats and Serbs with no hope of economic or political viability.

This is a shameful concept, shameful to the United States, but even more shameful to Western Europeans who have done nothing to halt genocide in their own backyard.

CLINTON BUDGET PACKAGE AND SMALL BUSINESSES

(Mr. REYNOLDS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. REYNOLDS. Mr. Speaker, before I begin my remarks, I wanted to send our special condolences to the Foster family for the tragic loss of their father last evening, and special condolences to the President for losing a dear and trusted friend.

Mr. Speaker, a great deal of misinformation has been spread by the opponents of the deficit reduction plan concerning the alleged dire consequences of the bill on the Nation's small businesses.

Well, Mr. Speaker, the truth is far different than what the American people have been hearing from the bill's opponents. The Wall Street Journal yesterday set the record straight when

it reported, "foes of Clinton's tax-boost proposals mislead public and firms on the small business aspects."

The Journal called the bluff of those who have been crying that the sky will fall on the heads of small businesses. According to the Journal article, " * * the administration-backed proposal to increase write-offs for small businesses that buy new equipment would help far more businesses than the tax would hurt."

In a further sign that the opponents of the President's package are not serious about helping small businesses, yesterday, 143 of our colleagues on the other side voted for an amendment to cut \$22 million from the Small Business Administration, the Federal agency mandated to assist individuals get small businesses off the ground. This is yet another Republican hypocrisy of talking about their support of small businesses, yet voting against the interests of small business time and time again.

Mr. Speaker, this plan will bring down our deficit, cut spending, and help, not hurt, American small businesses. And that is the truth.

SMELL OF CORRUPTION IN THE AIR

(Mr. ROHRBACHER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROHRBACHER. Mr. Speaker, the new administration started by being curiously a curiously, and now seems to be getting murkier and murkier.

I lived through the so-called Iran-Contra affair when President Reagan's team was put through the meat grinder for trying to stop Communist expansion in Central America in an unacceptable way.

Today the liberal Democrats who mauled Reagan officials for that offense now are scurrying to avert public attention from what appears to be a coverup of criminal activities aimed at personal profit in the White House Travelgate scandal, a scandal that now, unfortunately, has turned to tragedy. In the House, the corruption of the House post office threatens the most powerful of Democrat leaders.

The smell of corruption is in the air. The American people deserve to know the facts.

AMERICAN PEOPLE WILL REVOLT OVER TAX INCREASE

(Mr. BURTON of Indiana asked and was given permission to address the House for 1 minute.)

Mr. BURTON of Indiana. Mr. Speaker, I was watching television this morning. President Clinton came to the Hill and talked to some of the conferees on the budget summit agreement, and he said that there would be no voter revolt over his budget.

Now, I do not know what they are smoking down at the White House, but they must not be thinking about things the way that people in my district and across this country are thinking. The fact of the matter is, the overwhelming majority of Americans do not want a whole lot of new taxes. This is going to be the largest tax increase in U.S. history, and on the heels of that it is going to be following Hillary's tax increase for some health care plan that is going to cost another \$150 billion.

Tax, tax, tax. That is not what the American people want. They want to cut spending. We had a proposal that would have frozen government spending at last year's level plus no more than a 2-percent growth over the next 5 years that would have balanced the budget, and they would not even let us vote on it on this floor.

Bill Clinton says the American people will not revolt. Let me just tell my colleagues on this side of the aisle: Remember that next November when you are being turned out of office.

CAMPAIGN REFORM

(Mr. GOSS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GOSS. Mr. Speaker, 78 percent of Americans say Congress is not doing its job. How can we correct this credibility gap? I suggest restoring fiscal sanity and giving the people's House back to the people would be a good start. Mr. Speaker, yesterday you said the public's confidence in the House needs to be strengthened, not further eroded—but your leadership is once again delaying action on crucial congressional reform. Real reform must reduce the power of incumbency by drastically limiting free mail clear abuse of the frank and by restraining the PAC's. It must empower local voters and curtail the influence of lobbyists by changing the rules of fundraising. And it must embrace national term limits, as 22 million Americans in 15 States—including yours of Washington and mine of Florida—have already done. Mr. Speaker, if you will not lead the charge—it would be appropriate to not be in the way of real campaign reform.

THE SOUND AND FURY OF PANIC

(Mrs. BENTLEY asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. BENTLEY. Mr. Speaker, increasingly we are being treated to the drum roll of the pro-NAFTA lobby as the American people become more knowledgeable, and more concerned about the many problems America will face if the North American Free-Trade Agreement passes.

It is a propaganda campaign the likes of which I have never seen. However, considering reports that Mexico is spending in excess of \$25 million on this effort—I think it is evident that \$25 million will buy a lot of hot air from a lot of hucksters.

The figures being used by supporters of the agreement prove what can be done to politicize the statistics. It is remarkable that the huge gain in exports to Mexico occurred during the same period that United States companies were moving to the maquiladora section of Mexico along the United States border.

A breakout of the figures show that much of the value-added shipments were composed of plant equipment needed by the transplant corporations for their new facilities. In this manner, rather than having these swollen exports represent new jobs in America, most of the billions that are being touted as sales—actually represent a loss of 20,000 jobs per billion in exports, rather than a job gain. Another reason the economy has not turned around.

PROVIDING CONSUMERS WITH REAL CHOICE IN HEALTH CARE

(Mr. STEARNS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STEARNS. Mr. Speaker, just last week, the House appointed the conferees to the budget reconciliation package. Mr. Speaker, I sure do not envy them as they undertake this task.

We are sure to have bigger Government and higher taxes.

That is why I am concerned when I hear of the upcoming health care plan that is being proposed by the administration. I am hearing about global budgets, price controls, more bureaucracy, and yes, higher taxes. It is not enough that we raise an additional \$250 billion in taxes under this budget bill, no, now, it is being purported that the administration is planning on raising an additional \$100 to \$150 billion in taxes to fund this health care plan. It is going to be done at the expense of our employers, big and small, and ultimately, it is going to fall on the shoulders of middle class America.

Mr. Speaker, that is why I and several of my colleagues here in the House and in the Senate, are working on putting together a comprehensive health care plan, the Consumer Choice and Health Care Security Act of 1993. This approach aims to be budget neutral and will not add to the deficit. We do not seek to raise taxes and we do not seek to add to the deficit. What we seek to do is provide consumers with real choice in choosing their health plans and above all, we seek to provide them with the security and peace of mind in knowing that once they have chosen a plan to suite their needs, they will not lose that coverage.

□ 1050

CORRUPTION IN THE HOUSE

(Mr. WALKER asked and was given permission to address the House for 1 minute.)

Mr. WALKER. Mr. Speaker, it is time for the House to take action on the growing corruption and scandal surrounding the House post office. I say that because there has been an absolutely overt attempt to cover up this corruption for months.

We, first of all, demanded an investigation in the public with open public hearings. That was rejected by the Democrats.

Instead, what they did was put an investigation behind closed doors where witnesses were heard only behind closed doors.

Then we attempted to get that information brought to the House floor. That attempt was tabled, and 223 Democrats voted last July, almost a year ago today, to cover up the scandal.

We now recognize that that cover up involved perjury of one of the elected House officers of the Democrats. They had to know that their elected House officer was, in fact, engaged in a pattern of corruption.

Certainly Members knew that and have continued to cover it up now for a period of months. It is now time for the House to act.

Sure, they want regular order because they do not want this corruption to be ever revealed. It is time for this House to act on corruption within it.

DISAPPROVING EXTENSION OF NONDISCRIMINATORY TREATMENT TO PRODUCTS OF THE PEOPLE'S REPUBLIC OF CHINA

Mr. ROSTENKOWSKI. Mr. Speaker, pursuant to the unanimous-consent request entered into on July 15, 1993, I call up the joint resolution (H.J. Res. 208) disapproving the extension of non-discriminatory treatment, most-favored-nation treatment, to the products of the People's Republic of China, and ask for its immediate consideration in the House.

The Clerk read the title of the joint resolution.

The text of the joint resolution is as follows:

H.J. RES. 208

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress does not approve the extension of the authority contained in section 402(c) of the Trade Act of 1974 recommended by the President to the Congress on May 28, 1993, with respect to the People's Republic of China.

The SPEAKER pro tempore (Mr. MURTHA). Pursuant to the order of the House of Thursday, July 15, 1993, the gentleman from Illinois [Mr. ROSTENKOWSKI] will be recognized for 30 minutes, and the gentleman from New

York [Mr. SOLOMON] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Illinois [Mr. ROSTENKOWSKI].

Mr. SOLOMON. Mr. Speaker, will the gentleman yield?

Mr. ROSTENKOWSKI. I yield to the gentleman from New York.

Mr. SOLOMON. Mr. Speaker, I would say to the gentleman that we had agreed to reduce the time from 2 hours to 1 hour. I had originally requested 2 hours of debate. There have been a number of speakers on the gentleman's side of the aisle, in particular, who wanted additional time.

Mr. Speaker, I ask unanimous consent that debate be extended from 1 hour to 1 hour and 10 minutes, to try to primarily take care of the speakers on the gentleman's side.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The SPEAKER pro tempore. The debate will be extended and divided evenly between both sides. The gentleman from Illinois [Mr. ROSTENKOWSKI] will be recognized for 35 minutes, and the gentleman from New York [Mr. SOLOMON] will be recognized for 35 minutes.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 15 minutes to the gentleman from Texas [Mr. ARCHER], and ask unanimous consent that he be allowed to further yield portions of that time.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in opposition to House Joint Resolution 208. This resolution would revoke China's most-favored-nation [MFN] status, effective 60 days after enactment. More importantly, this measure runs counter to President Clinton's policy on China.

The President's China policy is implemented in his May 28 Executive order. This extends China's MFN status from July 1993 to July 1994, but conditions extension beyond July 1994 on improvements in Beijing's human rights record.

The Committee on Ways and Means voted 35 to 2 to adversely report House Joint Resolution 208 in an overwhelming bipartisan show of opposition. The Clinton administration strongly opposes House Joint Resolution 208, and I urge my colleagues to vote "no" on this resolution today.

Members who support the Solomon bill will argue that the United States must send a clear message to the Chinese leadership—that civilized people find China's behavior in the area of human rights, and many of Beijing's foreign policy actions, to be unacceptable. I could not agree more with the message. I disagree, however, that

passing the Solomon bill is the proper way to send that message.

President Clinton's Executive order on China is the proper means for getting through to Beijing. The May 28 Executive order incorporates the conditions in China MFN legislation introduced by Congresswoman PELOSI during this Congress and in the past. The President's Executive order attaches seven human rights conditions, including one on prison labor, to the extension of China's MFN status beyond July 1994. The Executive order also requires that sanctions already in the United States law be used, if necessary, to ensure that China complies with its commitments on trade and weapons proliferation.

In short, the President has heeded the Congress' message on China's MFN extension. Through his Executive order, Mr. Clinton has embraced and implemented the conditional MFN policy endorsed by the overwhelming majority of House Members who voted "yes" on conditional China MFN bills in the past.

The Congress and the Executive now have the chance to speak with a unified voice on China MFN policy. We need to give President Clinton's China policy a chance to work before we give up the leverage that MFN affords us. We need to see if the Chinese are willing to recognize and abide by what is proper conduct for civilized nations.

If, by next June, we find ourselves with the same complaints about China's human rights, trade, and weapons proliferation records that we have today, then it will be time to reassess the status of the United States trade relations with China. For now, we need to work with the President and see how much improvement we can achieve in China over the next year.

I urge my colleagues to support the President's policy and vote "no" on House Joint Resolution 208.

Mr. Speaker. I reserve the balance of my time.

Mr. SOLOMON. Mr. Speaker, considering the fact that the gentleman from Illinois [Mr. ROSTENKOWSKI] has yielded 15 minutes of his time to the gentleman from Texas [Mr. ARCHER], I ask unanimous consent to yield 10 minutes of my time to the cosponsor of this resolution, the gentleman from Massachusetts [Mr. MARKEY], and ask that he be allowed to manage that time.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. SOLOMON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, today this 103d Congress has the opportunity of joining both the 101st and 102d Congresses in going on record against a continuation of most-favored-nation trade status for the so-called People's Republic of China.

This is, in my view, our only appropriate response to the dangerous and repressive policies of that government—policies which have continued unabated, all the while, China has been accumulating an ever-increasing trade surplus against our country.

For those Members who are concerned about jobs in America, they had better be listening to this debate.

Mr. Speaker, nothing of particular significance has changed in China, since 1990, when this House first went on record, by an overwhelming majority, favoring a termination of MFN for China.

It should be clear to any objective observer that all these years of MFN status have not led to any substantive changes in the behavior of the Chinese regime.

The reasons for denying MFN to China can be summarized in four categories: Human rights practices, trade policy, military policy, and foreign policy.

About human rights, little needs to be said.

China remains a police state, and it remains one of the most serious human rights violators in the world.

Mr. Speaker, particularly offensive is China's use of forced labor, which includes the involvement of as many as 1 million prisoners in the manufacture of export goods, the American people, are by far the largest recipients of slave labor goods coming from China and putting Americans out of work. Of course, there is the ongoing oppression and cultural genocide against the people of Tibet, a people whose only crime is the desire to be excluded from the regimentation imposed on society by the Chinese Communists.

□ 1100

Mr. Speaker, as for trade policy, the latest figures show that China is running up yet another huge trade surplus against our own American exports.

In 1992 alone, the United States trade deficit with China reached a level of \$18.2 billion, a rise of nearly 50 percent over the previous year.

During the first quarter of this year, our trade deficit with China rose by yet another 25 percent over the same period from last year.

Our trade deficit with China has tripled since the Tiananmen Square massacre, and it stands today second only to the trade deficit with Japan. The deficit with Japan is \$50 billion; China, \$18 billion, and growing to \$22 billion this year alone.

Can there be any wonder why the Chinese regime does not take our Government's protests about human rights and trade policies seriously?

Can any Member here honestly say that China is more economically competitive than America? Or, is the denial of fair access to the Chinese people for American goods the real problem? Who knows it is.

I believe every Member knows the answer to that question.

Worse yet, Mr. Speaker, China is using this trade surplus to finance a massive military buildup, a buildup which has been accelerating since the Chinese regime used the military against the Chinese people back in 1989 in that brutal massacre.

Mr. Speaker, while we and every other civilized nation around this world are reducing our defense spending, China is increasing theirs. This year alone, military spending in China is increasing by 15 percent, and it is financed by the trade surpluses that we are allowing to happen. We are allowing this massive military buildup.

This military buildup is across the board. It includes upgrades in both nuclear weapons and ballistic missile capabilities.

Believe me, we Americans should be as worried about these developments as China's neighbors are, and they are scared to death.

Mr. Speaker, the fourth and final reason why China does not deserve MFN is its foreign policy. Mr. Speaker, this is a regime which has sold M-11 missiles to Pakistan just recently, given nuclear technology to Iran and Algeria, and refused to support the United Nations sanctions against North Korea the one regime with a worse track record than Beijing. Unless, of course, we include the Khmer Rouge in Cambodia, for whom China continues to be the principal patron.

In conclusion, Mr. Speaker, I would like to comment on the President's Executive order. I address these comments especially to my friends on the other side of the aisle, whom I have great respect for, particularly the gentlewoman from California [Ms. PELOSI]. The President's order does not go far enough to produce any significant results. We will be right back here again next year. Consequently, this order is not likely to have any effect at all on changing the attitudes of those angry old men in the Great Hall of the People. That is precisely why the joint resolution I am offering today is so important.

This House has gone on record for 3 consecutive years as favoring a termination of China's MFN.

If we do not do so again this year, we will have sent a message of confusion and weakness to the Chinese Government, and we will have negated any possibility that the President's order may get some results.

This joint resolution should be seen as a reinforcement for the President's order.

It adds leverage to the President's approach by letting the Chinese regime know that Congress remains willing to revoke MFN if Beijing does not moderate its behavior, become civilized.

America is always most effective abroad when it is united at home and

speaks with one voice. That is what we ought to be doing here today.

One last thing: We have a bill coming to the floor soon. It provides \$3 billion to help Americans who have been ravaged by the Midwest floods. That is deficit financing. We have problems in Cleveland and in New York and in Los Angeles and in Chicago and all over this country.

If we revoke MFN today, it simply raises the tariffs on imported goods coming from Chinese slave labor by anywhere from 8 percent to 40 percent. They will still be way below the cost of American goods.

Do the Members know what these tariffs will do, however? Here is a letter from the Congressional Budget Office. These tariffs will bring in \$615 million; that is \$615 million in new revenues to either help lower the deficit or help pay for programs that our people need in this country. That is why everybody in this House ought to support this resolution. I urge the Members to do so.

Mr. Speaker, I reserve the balance of my time.

Mr. ARCHER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, once again the House has before it a resolution that would put an end to normal trade relations with the People's Republic of China by withdrawing most-favored-nation trading status. It is an exercise in futility. We cannot ignore the presence of a country of more than a billion people that has total trade with the world of \$165 billion.

It is unrealistic to think that an isolated China is possible in today's world. Along with the United States, every major developed nation is now intimately involved in this country, both diplomatically and economically. We are even culturally intertwined given the large Chinese emigrant population that spans the globe. China is a member of the Security Council of the United Nations.

We can only succeed in isolating ourselves through legislation such as House Joint Resolution 208. We have much to lose by doing so.

As the leading advocate of human rights and proponent of political reform outside the country, the United States risks losing its voice to stimulate the Chinese in these areas. The United States also could lose its ability to influence China's behavior in the area of weapons proliferation and arms development.

We also have much to lose in the economic field. By withdrawing MFN from China, the United States would be stepping out of the world's most rapidly expanding economy.

China is our 15th largest export market, and United States direct investment exceeds \$2 billion, primarily in petroleum and manufacturing. China will soon officially absorb Hong Kong,

one of the world's leading economies. Is it now time to end economic relations with China? Japan and Europe will not be so foolish.

Although not yet up to Western standards, political and social improvements are occurring in China. The United States must continue to press hard for further progress. But we cannot play a role in China's future if we go home and lock the door to the outside world behind us.

Earlier this year, the Beijing-based People's University of China announced major changes in its curriculum.

This cradle of education for Government officials and economic planners would no longer offer courses such as scientific socialism, the international Communist movement, the science of national economic planning, and the basics of Marxism and ethics.

Replacing such studies will be classes in international business management, marketing, real estate business, international trade, management of human resources, taxation, and the management of township enterprises.

This is but one small example of the subtle changes that can have a major impact on future Chinese policymaking.

Mr. Speaker, in my view it is clear that House Joint Resolution 208 represents an approach to bilateral relations that is as impractical as it is unproductive and dangerous. We cannot afford such isolationism.

I urge my colleagues to vote "no" on House Joint Resolution 208.

Mr. MARKEY. Mr. Speaker, I yield myself 4 minutes.

Mr. Speaker, I rise in support of the resolution brought by the gentleman from New York [Mr. SOLOMON] and I for the last 4 years. This is a very important decision which this House will make today.

To those who are listening, even if the human rights violations in this country do not stand as sufficient justification to deny MFN to the Chinese, notwithstanding all the human rights abuses, even if the slave labor inside of China does not stand as sufficient unto itself to deny the MFN status for China, notwithstanding the fact that we know they are making Christmas lights in China, there just is not that large a market for the missionaries in China for Christmas lights, they are exporting them around the world, slave labor; even if the unfair trading practices the Chinese are engaging in, which has helped them to build an \$18 billion trade surplus with the United States, second only to Japan, hear that again, we are sending over delegation after delegation to Japan, our No. 1 trade rival, that has the No. 1 trade deficit with our country. No. 2 in the world is China engaging in unfair practices on a daily basis.

□ 1110

Even if that is not sufficient for Members here to support denial of MFN status for China, then think of this: The Chinese are exporting and continuing to export nuclear technologies to Iraq, to Iran, to North Korea, to Syria, to Algeria, to Pakistan. To every major trouble spot in the world the Chinese have become the K mart of international nuclear commerce.

What are its consequences for our country? We are forced every year on this floor to appropriate billions and billions of dollars in defense to help the South Korean against the North Koreans, to protect them, to mediate the Pakistani-Indian conflict, to protect the Israelis and others in the Middle East against the export of these technologies into those countries.

Today the Chinese continue those policies. They spread those materials around the globe into the worst, most troubled areas of this world.

Now ladies and gentlemen, we all know that there was very little likelihood to ever be in an all out nuclear war between the United States and the Soviet Union. We also know that the greatest likelihood was and continues to be a nuclear conflict as these weapons spread from country to country to country. That is our greatest security threat on the planet right now, and the greatest culprit on the planet is the Chinese.

We let them run up a huge trade surplus with us, engage in human rights abuses, use slave labor to undermine our own workers in our country, but worst of all, force us to spend defense dollars in order to protect other countries in the world against the spread of nuclear weapons and other materials across this planet.

The difference I think that we have with proponents of extension of most-favored-nation status to the Chinese is that we want to deal with the causes of these problems as they are developing rather than the consequences 5 and 10 years down the line. It is time for us to stand up on this floor. We have done it for the last 3 years in a row. I think that we should do it again today.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Indiana [Mr. HAMILTON], chairman of the Committee on Foreign Affairs.

Mr. HAMILTON. Mr. Speaker, I thank the gentleman for yielding the time.

Mr. Speaker, I rise in strong opposition to House Joint Resolution 208. This resolution takes a sledgehammer approach to foreign policy. It will not promote U.S. interests. It is unrealistic, unwise, and unnecessary.

At the outset, let me say that I share the same goals as the gentleman from New York. The United States has legitimate concerns about China's policies

in the areas of human rights, trade relations, and security issues, particularly nonproliferation.

The question is how to pursue that agenda most effectively. My colleague from New York, Mr. SOLOMON, would use a sledgehammer. His resolution would revoke China's most-favored-nation trade status. I believe, and the President believes, that this is the wrong approach.

REVOKING MFN IS UNREALISTIC

First, revoking MFN is unrealistic. It is based on a misreading of the political situation in China today. Reform, decentralization, and modernization are all elements of Chinese life today.

The Chinese Government's repression of political opposition and its abuse of human rights is deplorable, and should be challenged. Yet the state does not maintain the tight grip over the daily lives of the great majority of people that it did 15 or even 4 years ago.

We hope for the day when civil and political rights are guaranteed in China. But we should also recognize that, on balance, human freedom in China is expanding, not contracting, and that revoking MFN would lead to more political control in China, not less. Those who favor democracy and closer ties with the West will be hurt.

Revoking MFN is also unrealistic because it assumes that China's leaders would give in to United States demands rather than lose MFN. Most China specialists believe the reverse. They believe China's leaders would sacrifice access to the American market rather than submit to the demands of a foreign government.

REVOKING MFN IS UNWISE

Second, revoking China's MFN status is unwise.

It would hurt American consumers who benefit from inexpensive Chinese goods. It would hurt American exporters, because China would certainly cut them off in retaliation. It would hurt American investors who wish to have a share of the world's largest growing market. It would hurt the people and businesses of Hong Kong and Taiwan, whose prosperity is linked to the economic future of South China.

Revoking MFN is also unwise because it would undercut our own foreign policy interests. As a permanent member of the U.N. Security Council, China has an important role to play in resolving international crises.

China has played a constructive role in the successful effort to bring peace to Cambodia. It cut off assistance to the Khmer Rouge. It has worked closely with the United States to urge North Korea to abandon its nuclear weapons program.

In fact, while China opposes international sanctions in principle, I am confident that if the international community decided sanctions against North Korea were necessary, China would not block them.

Also, China will likely be more cautious in its military buildup if relations with the United States are good. That will reassure our friends and allies in Asia.

REVOKING MFN IS UNNECESSARY

Finally, revoking MFN is unnecessary. President Clinton on May 28 announced a wise and realistic policy for addressing our problems with the Chinese Government.

The President is prepared to use all the statutory authority at his disposal to ensure that China abides by the commitments it has made in trade and proliferation.

The President has laid out in an Executive order seven human rights areas in which the Chinese must meet our expectations if he is to extend MFN in mid-1994 for another year.

I am confident that the President is serious about Chinese performance in these areas, in part because they reflect his campaign commitment to bring about an improvement in human rights in China.

CONCLUSION

Mr. Speaker, House Joint Resolution 208 is not only the wrong way to promote our policy objectives. It will undermine our ability to speak with one voice.

With his China initiative, President Clinton has restored consensus within the United States Government on policy toward China. That consensus is valuable—our policy will succeed only if the President and Congress work together.

Passage of the Solomon resolution would destroy that consensus and take us back to the days when conflict characterized our policy toward China. The best hope for human rights in China is to look ahead: To support the President's China policy, and to defeat the Solomon resolution.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 2 minutes to the gentleman from Florida [Mr. GIBBONS], the distinguished chairman of the Subcommittee on Trade.

Mr. GIBBONS. Mr. Speaker, I thank the gentleman for yielding the time.

Mr. Speaker, conditions are not good in China. All of us know that. They have never been good in China for 6,000 years.

They are improving, and I think we ought to look back and put ourselves in the proper perspective here. When President Nixon wisely and courageously decided that our policy toward China in the past years following the Communist takeover of that country was unwise, sent his emissaries and went himself to that country to try to normalize relationships, we all waited and wondered. Conditions in China have slowly improved. Sometimes the improvement is faster than at other times. Other times there are some

times when they are stepping backward. But by and large, the Nixon policy of normalizing relations with China was wise.

The current President has said that he will take the lead in working on tougher relationships with China as far as imposing the things that Congress has tried to impose on our country on MFN. Next year we are going to meet on this floor and there will be a terrific debate as to whether or not the Chinese people and the Chinese Government have come as far as President Clinton wants them to. That will be the test of all of this.

Should we pass the Solomon resolution now and it becomes law, then we undercut the united front that the Congress and the President are trying to have toward China today, and that would be wrong. The trouble with our policy in the past is that the President would never cooperate with Congress on trying to impose tougher conditions upon China. This President has said I will, I do, and he has adopted all of the provisions of the Pelosi resolution and even strengthened them. And I urge Members to vote against Solomon, support Pelosi, support the President, and let us get on with this.

Mr. SOLOMON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the last two speakers, whom I have great respect for, talked about American foreign policy interests. Let me tell Members the benchmark of American foreign policy. It is the sovereignty of all nations and human rights for all people.

This policy applies under administrations of both Republicans and Democrats. The Chinese government has violated the sovereignty of Tibet, as well as Cambodia under the Khmer Rouge. The Chinese Government is in violation of human rights because of the imprisonment of over 1 million people. It is in violation of American law, the Jackson-Vanik amendment. Have Members heard about it? It is still on the books. It is American law, and it encourages the legitimate and free movement of people who live under Communist governments. The Chinese people cannot freely emigrate and come and go as they please.

Mr. Speaker, I yield 5 minutes to the distinguished gentleman from Kentucky [Mr. BUNNING], a member of the Committee on Ways and Means.

Mr. BUNNING. Mr. Speaker, I rise today in strong support to House Joint Resolution 208—the resolution disapproving most-favored-nation status for China.

Continuing MFN for China would be another unfortunate step behind an ill-conceived policy. Over the past 13 years, United States policy toward China has been firmly and unequivocally in favor of human rights, fair trade, and nuclear nonproliferation.

Unless, unless, that firm and moral stand gets in the way of trade.

Let's look at the facts. In China, religious persecution is widespread. Beijing persists in its methodical abuse of the Tibetan people's human rights.

China exports goods made with forced labor in its prisons and China continues to imprison Chinese citizens and Tibetans whose only offense is the nonviolent expression of their political beliefs.

There is also overwhelming evidence that China has violated the terms of the missile technology control regime which limits the spread of ballistic missiles.

Beijing has sent advanced ballistic missile technology to such dangerous middle eastern nations as Syria and Iran.

China has also sold M-11 missiles to Pakistan, provided nuclear technology to Iran and refused to back United Nations sanctions against North Korea for abrogating the nuclear non-proliferation treaty.

China also is continuing a dangerous and destabilizing military buildup of its own.

How should we respond to all of this? Since the United States first granted MFN status to China 13 years ago, the prevailing school of thought has been to give China preferential trade status in hopes of encouraging China to improve its international conduct.

The thinking goes that this will also help bring about greater respect for human rights within China. This has not happened.

Unfortunately, the Ways and Means Committee voted to follow this don't-rock-the-boat policy again.

But, this policy has not proven itself very effective and there is no reason to believe that it will in the future.

If increased trade was going to affect China's conduct, that country should be preparing for sainthood by now.

United States trade with China is booming. Last year, China enjoyed an \$18 billion trade surplus. Our trade deficit with China for the first quarter of this year, stood at \$4.2 billion which is almost 25 percent greater than it was during the same quarter last year.

Yet, despite this trade boom, China does not seem to be in any great rush to change its observance of human rights or its trade policies.

The other school of thought about extending MFN to China is that some principles are worth standing up for.

That we shouldn't accept human rights abuses and a prison labor system in pursuit of free trade and the almighty buck.

That's the school of thought we should be following here. We should not be rewarding behavior that is immoral and abhorrent to free people everywhere. The Ways and Means Committee's action in adversely reporting the resolution of disapproval does exactly that.

This is not a partisan issue. We should not change our position just be-

cause we have a new President—a President of a different party.

Morality is not partisan. Right and wrong are not partisan. This is an issue that should definitely rise above party politics.

Sometimes you just have to stand up for what is right.

Last year we did. We passed a resolution of disapproval by a vote of 258-135.

I have the vote right here and I would like to make this part of the RECORD.

Congress should disapprove the extension of China's most-favored-nation status. We should prove that the country still has some principles which aren't for sale.

I ask my colleagues to reach back in their memories to those stirring scenes in Tiananmen square—the tanks crushing liberty. Nothing has changed—China has not changed.

Until change is forthcoming, we should not reward this kind of callous disregard for human rights.

Mr. BUNNING. Mr. Speaker, I thank the gentleman for yielding the time.

[Roll No. 285]

YEAS—258

Abercrombie, Ackerman, Alexander, Allen, Andrews (ME), Andrews (NJ), Annunzio, Anthony, Applegate, Aspin, Bacchus, Ballenger, Barnard, Barton, Beilenson, Bennett, Bentley, Berman, Bevill, Bilbray.

Blackwell, Billey, Boehlert, Bonior, Borski, Boucher, Browder, Bruce, Bryant, Bunning, Burton, Bustamante, Byron, Cardin, Carper, Chapman, Clay, Clement, Coble, Coleman (MO).

Coleman (TX), Collins (IL), Collins (MI), Combest, Condit, Cooper, Costello, Cox (CA), Cox (IL), Coyne, Cramer, Cunningham, Darden, Davis, de la Garza, DeFazio, DeLauro, Dellums, Derrick, Dixon.

Donnelly, Dooley, Doolittle, Downey, Duncan, Dwyer, Dymally, Early, Eckart, Edwards (CA), Edwards (OK), Edwards (TX), Engel, Erdreich, Espy, Evans, Fascell, Fish, Flake, Foglietta.

Ford (MI), Frank (MA), Franks (CT), Frost, Gallegly, Gaydos, Gejdenson, Gekas, Gephardt, Gilchrest, Gillman, Gonzalez, Gordon, Gunderson, Hall (OH), Harris, Hayes (IL), Hayes (LA), Hefley, Hefner.

Henry, Herger, Hertel, Hochbrueckner, Holloway, Hopkins, Horn, Horton, Hoyer, Hubbard, Hunter, Hutto, James, Jefferson, Jenkins, Jones (NC), Jontz, Kanjorski, Kaptur, Kasich.

Kennedy, Kildeer, Kleczka, Kostmayer, Kyl, LaFalce, Lantos, Laughlin, Lehman (FL), Levin (MI), Levine (CA), Lewis (FL), Lloyd, Long, Lowey (NY), Manton, Markey, Martinez, Mavroules, Mazzoli.

McCandless, McCollum, McCurdy, McHugh, McMillan (NC), McMillen (MD), McNulty, Mfume, Mineta, Mink, Moakley, Molinari, Moody, Moran, Morella, Murtha, Myers, Neal (MA), Neal (NC), Oakar.

Oberstar, Obey, Olin, Oliver, Ortiz, Owens (NY), Owens (UT), Pallone, Panetta, Parker, Pastor, Patterson, Paxon, Payne (NJ), Pelosi, Porter, Poshard, Price, Pursell, Quillen.

Rahall, Ramstad, Rangel, Ravenel, Rhodes, Richardson, Ridge, Riggs, Ritter, Rogers, Rohrabacher, Ros-Lehtinen, Rose, Roth, Rowland, Roybal, Russo, Sabo, Sanders, Sangmeister.

Sawyer, Schaefer, Schiff, Schroeder, Schulze, Schumer, Sensenbrenner, Serrano, Sikorski, Sisk, Sisk, Sisk, Skelton, Slaughter, Smith (FL), Smith (NJ), Smith (TX), Snowe, Solomon, Spence, Spratt.

Staggers, Stark, Stearns, Stokes, Swett, Synar, Tallon, Tanner, Tauzin, Taylor (MS), Taylor (NC), Thomas (CA), Thornton, Torres, Traficant, Traxler, Unsoeld, Upton, Valentine, Vento.

Visclosky, Walker, Walsh, Washington, Waters, Waxman, Weiss, Weldon, Wheat, Wilson, Wolf, Wolpe, Yates, Yatton, Young (AK), Young (FL), Zeliff, Zimmer.

NAYS—135

Allard, Anderson, Andrews (TX), Archer, Arney, AuCoin, Baker, Barrett, Bateman, Bereuter, Bilirakis, Boehner, Brewster, Brooks, Broomfield, Callahan, Camp, Campbell (CA), Chandler, Clinger.

Crane, DeLay, Dickinson, Dicks, Dingell, Dorgan (ND), Dreier, Emerson, English, Ewing, Fawell, Fazio, Gallo, Geren, Gibbons, Gillmor, Glickman, Goodling, Goss, Gradison.

Grandy, Green, Guarini, Hall (TX), Hamilton, Hammerschmidt, Hancock, Hansen, Hastert, Hoagland, Hobson, Houghton, Huckabee, Hughes, Inhofe, Jacobs, Johnson (CT), Johnson (SD), Johnson (TX), Kennelly.

Klug, Kolbe, Kopetski, Lagomarsino, LaRocco, Leach, Lent, Lewis (CA), Lightfoot, Livingston, Lowery (CA), Luken, Marlenee, Martin, Matsui, McCrery, McDade, McDermott, McGrath, Meyers.

Michel, Miller (OH), Miller (WA), Montgomery, Moorhead, Murphy, Nagle, Natcher, Nichols, Nowak, Nussle, Orton, Oxley, Packard, Payne (VA), Pease, Penny, Peterson (MN), Petri, Pickett.

Pickle, Reed, Regula, Rinaldo, Roberts, Roe, Roemer, Rostenkowski, Santorum, Sarpalis, Saxton, Scheuer, Sharp, Shaw, Shays, Shuster, Skaggs, Slattery, Smith (LA), Smith (OR).

Solarz, Stallings, Stenholm, Stump, Sundquist, Swift, Thomas (CA), Thomas (WY), Vander Jagt, Volkmer, Vucanovich, Weber, Williams, Wyden, Wylie.

NOT VOTING—41

Atkins, Boxer, Brown, Campbell (CO), Carr, Conyers, Coughlin, Dannemeyer, Dornan (CA), Durbin, Feighan, Fields, Ford (TN), Gingrich, Hatcher, Hyde, Ireland, Johnston, Jones (GA), Kolter.

Lancaster, Lehman (CA), Lewis (GA), Lipinski, Machtley, McCloskey, McEwen, Miller (CA), Mollohan, Morrison, Mrazek, Perkins, Peterson (FL), Ray, Roukema, Savage, Studds, Torricelli, Towns, Whitten, Wise.

The Clerk announced the following pairs:

On this vote:

Mrs. Roukema for, with Mr. Ireland against.

Messrs. Klug, Johnson of Texas, English, Nagle, Hall of Texas, Hughes, and Emerson changed their vote from "yea" to "nay."

Messrs. McMillen of Maryland, Spence, Darden, Bevil, Rowland of Georgia, and Cramer changed their vote from "nay" to "yea."

So the joint resolution was passed:

The result of the vote was announced as above recorded.

□ 1120

Mr. CRANE. Mr. Speaker, I yield myself 4 minutes.

Mr. Speaker, I rise in strong opposition to House Joint Resolution 208, which disapproves the President's decision to extend MFN trade status to China for another year.

The issue of China's MFN status is a difficult one for all of us. Strong desires for improvements in human rights practices, weapons policies, and trade, held by every Member in this body, tend to obscure the most rational course for achieving progress.

The disapproval resolution was reported unfavorably to the House, by the Committee on Ways and Means, in order to fulfill its responsibility once again under the Jackson-Vanik statute. The vote in committee against this bill and its purpose of cutting off trade with China was 35-2.

Even in the face of abhorrent behavior on the part of the Beijing Government, I continue to believe that pulling MFN would be a rash and fruitless measure, for which our exporters and consumers would pay a dear price. Nor will we achieve our shared goals of political and economic reform for the Chinese people, because our ability to engage the Chinese Government in negotiations would be lost.

With few arrows of influence left in our quiver, our exporters would suffer certain trade retaliation in this large and growing export market of over 1.2 billion people. Export sales of \$7 billion in sectors such as wheat, aerospace, computers, fertilizer, cotton, and wood products would be the first to suffer the effects of shutting down the United States-China trade relationship. These sales would be easily filled by competitors in Japan or the EC.

I have to ask the proponents of House Joint Resolution 208 what—other than empty symbolism—would be gained for the suffering people of China?

Our debate here today will be significantly shorter than in previous years because of the decision taken by President Clinton, through Executive order. On May 28 he announced a conditionality approach to United States-China trade, almost identical in substance to legislation debated in this Chamber, in each of the last 4 years.

It is frustrating to deal with a President whose proclivity for untenable compromises leads him to tie his own hands in the foreign policy and trade areas. Conducting diplomacy by way of a politically motivated and publicly announced set of conditions substantially limits the ability of the United States to respond to evolving circumstances.

While I support the President's decision to extend MFN this year, I feel he has set up a dangerous situation by making his own decision on certification next year hostage to the behavior of a highly unstable and erratic government. We can only hope for the best.

Severing ties with China by revoking MFN would undermine broader security and economic interests in Asia as a whole. In my view, we have a substantial interest in preserving a stable society in Hong Kong, and in forging

an expanded role for Taiwan in the international economy.

Seventy percent of China's exports to us are further processed in Hong Kong, and then shipped on to the United States. This chain of free market associations and all the personal interchanges involved serves as a natural brake on the forces of Chinese totalitarianism. It is these entrepreneurs, both in Hong Kong and China, who would suffer the most by the rash act of extinguishing trade relations—not the dictators struggling to hold on to power in Beijing.

Finally, Mr. Speaker, I would like to reemphasize that we must redouble efforts to achieve Taiwan's membership in the GATT.

We must let this country assume its hard-earned place as a major trader in the world economy—irrespective of the halting and often regressive efforts at trade liberalization made by the Chinese Government. In my view, it is unreasonable to expect that Beijing will be prepared to join GATT in the same timeframe as Taiwan, and I would urge the administration to insist on prompt consideration of Taiwan's GATT application. This issue has dragged on far too long.

Extinguishing the lifeline economic relations with the Chinese people will achieve no useful purpose. I urge a "no" vote on House Joint Resolution 208.

Mr. Speaker, I reserve the balance of my time.

Mr. MARKEY. Mr. Speaker, I yield 1 minute to the gentleman from Ohio [Mr. TRAFICANT].

Mr. SOLOMON. Mr. Speaker, I yield an additional minute to the gentleman from Ohio [Mr. TRAFICANT].

The SPEAKER pro tempore. The gentleman from Ohio [Mr. TRAFICANT] is recognized for 2 minutes.

Mr. TRAFICANT. Mr. Speaker, we are not talking about free trade today. We are literally talking about slave trade. China has been convicted of dumping in our marketplace; China has been convicted of putting false labels on products, supposed to be made in America, to circumvent our buy-American laws; China's record of illegal trade is now legend. The list goes on, including denying access to American companies on American products.

And what does Congress do? Congress raises taxes on American constituents, Congress extends unemployment benefits for laid-off American workers because of this foolish trade policy.

□ 1130

Congress adds billions of dollars to every bill to retrain American workers. Why do we have to retrain? Because the training they have is not necessary because they do not have their damn jobs anymore.

And what does Congress do? Grants most-favored-nation trade status, forget the human rights business here, to

a nation that has just enacted a new law, the death penalty for any Chinese worker who manufactures a faulty product.

Do you know why? What do you with a Chinese laborer in prison who screws up a toaster knowingly?

Now, that is taking product liability law a little damn far, I say to the Congress.

The high wage in China is 19 cents an hour, and you are trying to figure out how to straighten out America's economy.

The American people should export Congress. The free traders around here are so damn dumb they could throw themselves to the ground and miss.

Vote for this amendment, and I will tell you what, if you are an American worker back home, take a look at the voting record of the Members on this bill.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 1 minute to the gentleman from Michigan [Mr. LEVIN].

Mr. LEVIN. Mr. Speaker, I rise in opposition to the Solomon amendment.

I share the gentleman's deep concern about human rights issues and also about trade policies. I voted for the resolution last year, but there is a new development here, and that is a President willing to take on the problem.

Those who say the President is not going far enough should remember that he succeeds an administration unwilling to confront the problem at all.

I commend the President for taking into account in his decision to include the preservation of Tibet's distinctive religious and cultural heritage in the human rights conditions stated in the Executive order. We are going to be working and meeting with the White House and the State Department to make sure that we monitor what is going on.

In a word, let us give the President's policies a chance to work. He has had the courage to tackle the issues. Let us have the wisdom to work with him instead of against him to make his policies work.

Mr. SOLOMON. Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey [Mr. SMITH], a distinguished member of the Committee on Foreign Affairs.

Mr. SMITH of New Jersey. Mr. Speaker, I thank my friend for yielding me this time.

Mr. Speaker, I rise in strong support of the Solomon-Markey resolution. Despite the fact that China has one of the worst, most deplorable human rights records in the world, Mr. Clinton has chosen to reward the Chinese Government by extending most-favored-nation [MFN] for a year with incomplete human rights conditions. Mr. Clinton has sidestepped—for another year—the burden of making a tough decision.

While this approach may have some surface appeal. I strongly believe

Beijing's long-term record and especially its present human rights performance strongly undermines the notion that, with a little more time, China will reform itself.

During his campaign, Mr. Clinton in no uncertain terms blasted the Chinese leadership and properly labeled them as dictators. I agreed. Now that he is President, Mr. Clinton has given those same dictators a year's reprieve, despite the fact that human rights in China have not improved one wit—and in certain categories have actually gotten worse. Frankly, barring a miracle, MFN for the People's Republic of China [PRC] is dead next year—even if our effort falls short today.

Let us not be so naive to salve our consciences with some nice sounding words—a little paper—extolling reform. Thus far the Chinese hardliners are not impressed. Look at their stonewalling, in your face stance at the Vienna Human Rights Conference. Let us not kid ourselves. They are moving in the wrong direction. The Chinese Government's plan is to finesse and manipulate.

Let us completely empathize with the oppressed and in no way prop up the oppressor.

Mr. Chairman, religious believers must know that the United States will not stand by as they are beaten and killed for exercising their beliefs. Catholic Bishop Stephen Liu Difen died in detention in November 1992, with evidence of severe physical abuse.

In March, house church members in Taoyuan were handcuffed, stripped, and beaten unconscious—thousands of others elsewhere in China have been similarly mistreated.

Mr. Chairman, I am submitting for the RECORD a list of over 100 Christians who are imprisoned, detained, or persecuted because of their religious activities, a tip of the iceberg of repression in the PRC. The conditions of their detentions vary. Some are held incommunicado, some are under house arrest, some are restricted to their villages and under close surveillance. The exact conditions of some of these prisoners remains unknown. According to recent reports, some prisoners are being transferred to administrative detention in old people's homes where, the Government claims, they are being cared for. Because human rights groups are denied access to these homes it is suspected that prisoners could be subject to greater forms of abuse and torture.

Political prisoners by the millions are forced to work in one of the approximately 1,000 documented slave labor camps located around the country. Products made in these camps by men and women who are slave laborers are sometimes routed to U.S. markets at a great disadvantage to our domestic producers. FRANK WOLF and I visited one of these gulags—Beijing Pris-

on No. 1. At least 40 student protesters languish there.

In addition, the Chinese Government has continued to abuse women through its one couple-one child coercive population control policy. Implementation of this policy relies heavily on tens of millions of forced abortions and involuntary sterilization. Only Big Brother in Beijing has the power to authorize the birth of a child. Couples who somehow have children without following the birth quota system are subject to beating, fines, confiscation or destruction of property, and heavy taxation.

Chinese authorities deny that their birth quota policy is coercive, but a recent story in the New York Times exposed the policy for what it is. Li Qiuliang was 7 months pregnant on December 30, 1992. The local family planning official wanted Ms. Li to give birth in 1992 to meet the local quota. Ms. Li was taken to an unsanitary first-aid station where the official ordered labor be induced. Though her family and doctor protested, the officials insisted. The baby died 9 hours later and Ms. Li, who almost died during labor is incapacitated.

Even Secretary of State Warren Christopher, testifying before the House Foreign Affairs Committee, acknowledged that he found the New York Times exposé "really very abhorrent," and suggested that "in considering what conditions might be attached to the continuation of MFN, one of the matters we would consider is the human rights aspects of forced abortions and the policies that the Chinese are following." Just 2 weeks later, the President recommended that China be rewarded MFN, and made no mention of the coercive birth quota policy. Once again, the right of children to live is the forgotten human right.

China's denial of basic human rights is not limited to within the borders of the country. On May 27, after being pressured by the Chinese Government, U.N. Secretary Boutros-Ghali would not allow Shen Tong, one of the leaders of the Tiananmen Square democracy movement, to speak at a press conference in the U.N. Correspondents Association club located in the U.N. building. Only a few weeks later, China succeeded in denying freedom of speech to the Dalai Lama, the spiritual leader of Tibet, who was planning to speak at the opening ceremonies of the U.N.-sponsored human rights conference in Vienna.

I believe that our foreign trade policy must reflect the U.S. commitment to human rights. Favorable trade and other bilateral negotiations must be linked to human rights. And, above all, the U.S. policy must be clear that we stand with the victims—not the oppressors. But, with regards to China, the administration has abandoned its role as the leader for world human rights.

From freedom of speech, to freedom of conscience, to the rights of women,

to the basic right to human life, China leads the world in violating the human rights of its people. Still, Mr. Clinton, who fashions himself an advocate of human rights, has decided to reward again the Communist leaders of China.

In my opinion, the conditions outlined in the Executive order do not go far enough. We have tried to negotiate improved conditions before and no real changes occur. The situation is critical and, if we truly wish to help the Chinese people, we must concede that the Chinese Government will respond to nothing short of suspending or terminating MFN.

We must serve notice to the Chinese Government that we will not stand by while thousands of people are imprisoned, forced into slave labor, denied freedom of speech and worship, abused, tortured, and slaughtered. Why must we wait another year for China to change its policies? We have already waited over 10 years. By extending MFN for 1 more year the administration will reward the Chinese Government while that Government continues to control and slaughter its people.

Today we have an opportunity to right a wrong. By supporting this resolution and disapproving MFN trade status for China we will send a clear message that the United States stands with the victims of oppression. We will once again assert our role as leader for world human rights. We will stand up to the tyrants of China and for the voiceless thousands who look to us for help.

Mr. Speaker, I urge my colleagues to support this resolution and to put both the Chinese Government and our own administration on notice that this body will no longer tolerate the systemic violation of human rights, nor will we allow these violations to be rewarded.

IMPRISONED, DETAINED, OR PERSECUTED
CATHOLIC AND PROTESTANT BELIEVERS IN
THE PEOPLE'S REPUBLIC OF CHINA
CATHOLIC BELIEVERS

1. Bishop Fan Yufei: Bishop of Zhouzhi, Shaanxi province. Arrested around Easter 1992 and released in September 1992. Remains under house arrest in his home village.

2. Bishop Cosmas Shi Enxiang: Age 71. Auxiliary bishop of Yixian, Hebei. Reportedly arrested after mid-December 1990. Reportedly being held in an "old people's home."

3. Bishop Joseph Fan Zhongliang: Age 73. Jesuit Bishop in Shanghai. Subjected to interrogations for 18 months. Bishop Fan disappeared on June 10, 1991, his home was searched and all belongings, including furniture and books were confiscated by authorities. Released by Public Security Bureau August 19, 1991, but remains under surveillance and subject to frequent interrogation. Recent reports indicate he is still unable to leave Shanghai and is still kept under surveillance.

4. Bishop Peter Chen Jianzhang: Bishop of Baoding. Disappeared from residence in Xiefangying, Xushui County, in mid-December 1990. Being held against his will in "old age home" in Hebei Province. Currently confined to wheelchair and suffers from diabetes. His health continues to deteriorate.

5. Bishop Paul Liu Shuhe: Age 69. Second Bishop of Yixian, Hebei Province. Having been arrested and imprisoned on October 30, 1988, because of ill health his 3 year sentence was commuted to house arrest on January 16, 1989. Subsequently arrested on December 13 or 14, 1990, along with other Catholic leaders. Around Easter 1992 he escaped from the "old age home" where he was being held against his will and is currently in hiding. He is in need of medical attention but is unwilling to be treated out of fear of being found. Police are actively seeking his whereabouts.

6. Bishop John Baptist Liang Xisheng: Born in 1923. Bishop of Kaifeng Diocese, Henan Province. Arrested in October 1990. Under police surveillance as of February 1991 and restricted to the village.

7. Bishop Vincent Huang Shoucheng: Bishop of Fu'an, Fujian. Arrested along with four deacons on July 27, 1990, in an unspecified location. Placed under village restriction in June 1991.

8. Bishop Bartholomew Yu Chengdi: Age: 72. Bishop of Hanzhong diocese, Shaanxi Province. Arrested between mid-December 1989 and mid-January 1990, in connection with Bishops' Conference, imprisoned in Xi'an Prison until July 1990. He "disappeared" from his residence in August 1991, and was held in re-education camp until November 1991. He is now restricted to his home village.

9. Bishop Mathias Lu Zhensheng: born in 1919. Second Bishop of Tianshui, Gansu Province. Arrested in late December 1989, and sentenced to unknown prison term. It is reported that he has been released for health reasons but is restricted to his home village.

10. Bishop Guo Wenzhi: born in 1918. Bishop of Harbin, Heilongjiang Province. Interned from 1954 to 1964, he was arrested in 1966 and served in a prison camp for "reform through labor" in Xinjiang Autonomous Region until his release in 1979. Again, Bishop Guo was arrested in December 1989 and was released in March 1990. Since that time, he has been restricted to his home village in Qiqihar and is under strict police surveillance.

11. Bishop Joseph Li Side: Bishop of Tianjin diocese. Arrested on December 8, 1989 and reportedly was tried in secret and sentenced to seven years in prison. Released June 7, 1991. Rearrested April 11, 1992, reportedly exiled to the rural village of Liang Zhuangzi, which he is forbidden to leave.

12. Bishop Jiang Liren: Bishop of Hohhot, Inner Mongolia. Date of his arrest in connection with Bishops' Conference is uncertain but may have occurred in November or December 1989. He is reported to have been released from prison in April 1990, but is confined to his home village where the authorities are subjecting him to character assassination.

13. Bishop Julius Jia Zhiguo: Born in 1935. Bishop of Zhengding, Hebei Province. Arrested in April 7, 1989, in Beijing and transferred to house arrest in his home village of Wuqiu in September 11, 1989. Thought to be in poor health, and Religious Affairs Bureau claims he is in "old people's home." Recent reports say he is no longer being held by authorities but is subject to short detentions by the Public Security Bureau.

14. Bishop John Yang Shudao: Bishop of Fuzhou, Fujian Province. Arrested in February 1988, in Liushan village, Fujian Province. Released in February 1991, but remains under close surveillance.

15. Bishop Casimir Wang Milu: Born in 1939. Bishop of Tianshui diocese, Gansu Province. Arrested in April 1984, and sentenced in

1985 or 1986 to ten years of "reform through labor" and four years' forfeiture of political rights. He was released on parole April 14, 1993 and is living with his parents. His travel is restricted until April 1994 when his sentence expires.

16. Bishop Hou Guoyang: From Sichuan Province. Arrested in early January 1990, in connection with the Bishops' Conference, and detained until early 1991. He is now under police surveillance in Chongqing City. Requests about his current status from the State Department have gotten no responses from Chinese authorities.

17. Father Wang Dorian: Age: 70's. Arrested along with two nuns in June or July 1992 in Suzhou, Jiangsu. Although the nuns were released in August, there has been no report of his release. Being held either by the Changshu Public Security Bureau or in Suzhou.

18. Father Shang Li: Arrested July 25, 1992 at Xuanhua, Hebei. Although Chinese authorities reported his release in March 1993 there have been no independent confirmations.

19. Father Han Dingxiang: Age: 55. Vicar General of Handan diocese, Hebei Province. Imprisoned from 1960 to 1979 for religious activities and beliefs and detained again in 1989. Arrested December 26, 1990, and now detained in an indoctrination camp in Handan with at least 20 other Catholics.

20. Father An Shi'en: Born in 1914. Vicar General of Daming diocese, Hebei Province. Arrested within days after the December 26, 1990 arrest of Father Han Dingxiang. Released December 21, 1993 but reportedly severely restricted.

21. Father Zhu Ruci: Chancellor of Xiapu. Arrested on July 27, 1990, during meeting on Church affairs at Luojiang Church in Fu'an city, Fujian Province, and is currently imprisoned.

22. Father Liu Guangpin: Priest of Fu'an, Fujian Province. Also arrested along with Father Zhu, and is currently imprisoned.

23. Father Zou Xijin: Priest of Fu'an, Fujian Province. Also arrested in July 1990, along with Father Zhu in July 1990, and is currently imprisoned.

24. Father Xu: Arrested in Fu'an on July 27, 1990. No news of his release from prison.

25. Father Zheng: Arrested in Fu'an on July 27, 1990. Reportedly released January 28, 1992.

26. Father Zhu: Arrested in Fu'an on July 27, 1990. Reportedly released January 28, 1992.

27-29. Fathers Guo: Three priests, all of the same name. Among the nine arrested in Fu'an Province on July 27, 1990. Released on bail for health reasons and confined to house arrest in their respective villages.

30. Bishop Mark Yuan Wenzai: Age: 69. Bishop of Nantong, Jiangsu Province. After brief period of police detention, was placed under custody of local Catholic Patriotic Association bishop, Yu Chengcol, in July 1990.

31. Father Wang Ruohan: Brother of Bishop Wang Milu (see 15). Priest of Tianshui diocese, Gansu Province. Arrested in December 1989, and served one year of reform through labor, continues to have severe restrictions on movement.

32. Father John Wang Rouwang: Brother of Bishop Wang Milu (see XX). Arrested December 1989 and charged with "illegal religious activities." Detained again in late 1991 for caring for a dying bishop. Currently under strict restriction of movement.

33. Father Yu Chengxin: Priest of Hanzhong diocese, Shaanxi Province (brother of Bishop Bartholomew Yu Chengdi). Imprisoned between mid-December 1989 and July

1990, in connection with Bishops' Conference. Reportedly "disappeared" from his residence in early August 1991. Supposedly released November 1991 but have been unable to confirm.

34. Father Chen Yingkui: Priest of Yixian diocese, Hebei province. Arrested in 1991 and currently being held without trial.

35. Father Wei Jingyi: Age: mid-30s. Priest of Qiqihar, Heilongjiang Province. Arrested between mid-December 1989 and mid-January 1990, in connection with Bishops' Conference. In March 1991, was sentenced to 3 years' "re-education through labor." His reported release in March, 1993 cannot yet be independently confirmed.

36. Father Pei Guojun: Priest of Yixian diocese, Hebei Province. Arrested between mid-December 1989 and mid-January 1990, in connection with Bishops' Conference. Reportedly now imprisoned.

37. Father Anthony Zhang Gangyi: Age: 84. Priest of Sanyuan diocese, Shaanxi Province. Imprisoned several times for a total of 30 years between 1949 and the present. Arrested on December 11, 1989, in connection with underground episcopal conference; released, and rearrested on December 28, 1989. Released on June 6, 1990, because of his health, but now under travel restrictions.

38. Father Su Zheming: Age: 60. Vicar General, Baoding diocese, Hebei Province. Arrested in December 17, 1989, because of his role in helping establish an independent episcopal conference in Shaanxi Province in November 1989. Sentenced on May 21, 1990, to three years "reform through labor," served at a labor farm near Tangshan, Hebei Province, and later was moved to another labor camp. He was reportedly released in mid-1992 but remains under police surveillance.

39. Father Shi Wande: Priest of Baoding diocese, Hebei Province. Arrested on December 9, 1989, in Xushui (southwest of Beijing), now reportedly in prison.

40. Father Pei Zhenping: Priest of Youtong village, Luancheng County, Shijiazhuang, Hebei Province. Arrested on October 12, 1989, now reportedly in prison. Chinese authorities report that he was released in March, 1993, but this cannot yet be independently confirmed.

41. Father Xiao Shixiang: Age: 58. Trappist priest of Yixian diocese. Arrested on October 20, 1989, later released but re-arrested December 12, 1991, after leading a retreat in Dingxian.

42. Father Pei Ronggui: Age: 54. Trappist priest of Youtong village, near Shijiazhuang, Hebei Province. Officiated at Youtong village, where police went on a bloody rampage against the town's 1500 Catholics on April 18, 1989. Reportedly arrested in Beijing on September 3, 1989. According to an unconfirmed report, Father Pei had been sentenced to 5 years' in prison. It has been recently reported that he was paroled in March, 1993 with restrictions placed on his movement and associations.

43. Father Feng Yongbing: Age: 35. Priest of Changle County, Fujian Province. Arrested on September 14, 1988. He has reportedly been released, but this has not been confirmed.

44. Father Wang Yiqi: Priest of Fujian Province. Reportedly arrested in Liushan village, Fujian Province on February 28, 1988. He has reportedly been released, but this has not been confirmed.

45. Father Li Fangchun: Priest of Guide diocese, Henan Province. Arrested in early 1980's. Although he was reportedly released in October, 1992 his current conditions are unknown.

46. Father Zhang Shentang: Priest from Nanyang diocese, Henan Province. Sentenced in early 1980s to 17 years in prison. Reportedly murdered in July.

47. Father Zhu Baoyu: Priest from Nanyang diocese, Henan Province. In 1982, sentenced to 10 years imprisonment. Although he has been paroled, he is restricted to Jingang village, Henan.

48. Father Joseph Chen Rongkui: Age: 28. Arrested December 14, 1990, at the Dingxian railroad station. Charges are unknown and he is being held without trial.

49. Father Paul Liu Shimin: Age: 32. Arrested December 14, 1990, in Xiefangying, Xushui County. Charges are unknown and he is being held without trial.

50. Father Peter Hu Duor: Age: 32. Arrested by Public Security Bureau personnel on December 14, 1990, in Liangzhuang Village, Xushui County. Charges are unknown and he is being held without trial.

51. Father Ma Zhiyuan: Age: 28. Arrested December 13, 1991, in Houzhuang, Xushui County, Hebei Province. Reason for arrest is unknown and he is being held without trial.

52. Father Liu Heping: Age: 28. Arrested December 13, 1991, at home in Shizhu village, Dingxing County. Being held without trial.

53. Father Peter Cui Xingang: Age: 30. Priest in Donglu Village, Qingyuan County, a popular Catholic shrine. Arrested at midnight July 28, 1991; current status is unknown.

54. Father Joseph Guo Fude: Age 69. Member of Society of the Divine Word. Served 22 years in detention previously. Arrested Spring 1982. Reportedly under house arrest and/or strict police surveillance. Had been interned in labor camp in southern Shandong.

55. Father Li Zhongpei: Arrested December 3, 1990, sentenced to 3 years "re-education through labor." Serving term at Tangshan Reeducation-through-Labor Center in Hebei Province. Chinese authorities reported his release in March, 1993 but this has not been independently confirmed as of yet.

56. Father Liao Haiqing: Age: about 50. Priest of Jiangxi Province. Arrested November 19, 1981. As of 1988, interned in Prison No. 4, Nanchang, Jiangxi Province. Chinese authorities reported his release in March, 1993 but this has not been independently confirmed as of yet.

57. Father Fu Hezhou: Age: 68. Arrested and imprisoned November 19, 1981. Reportedly has since been transferred to house arrest and/or strict police surveillance.

58. Father Lin Jiale: Imprisoned in Fuzhou, Fujian Province.

59. Father Liu Shizhong: Imprisoned in Fuzhou, Fujian Province.

60. Father Wang Jiansheng: Age: 40. Arrested May 19, 1991, sentenced to 3 years "re-education through labor." Charges unknown. As of March 1992, held at Xuanhua reeducation Center in Hebei. Chinese authorities reported his release in March, 1993 but there have been no independent confirmation as of yet.

61. Father Gao Fangzhan: Age: 27. Yixian Diocese, Hebei Province. Arrested in May 1991, outside Shizhu Village in Dingxing County and currently being held without trial.

62. Father Li Xinsan: Priest of Anguo diocese, Hebei province. Arrested late 1990 or early 1991. Reportedly detained without trial in an indoctrination camp in Handan.

63. Father Xu Guoxin: Priest of Langfang diocese, Hebei province. Arrested December 1991 and sentenced to three years "re-education through labor."

64. Deacon Ma Shunbao: Age: 42. Arrested November 6, 1991 and being held without trial.

65. Deacon Wang Tongshang: Age: 56. Deacon and community leader in Baoding diocese Hebei Province. Arrested on December 23, 1990, and being held at Re-education Center in Chengde, Hebei. Chinese authorities reported his release in March, 1993 but there have been no independent confirmations.

66. Deacon Dong Linzhong: Resident of Dongdazhao Village, Baoding, Hebei province. Arrested December 21, 1992.

67. Pei Shangchen: Community leader in Youtong village, Hebei Province. Arrested on October 23, 1989 and reportedly now in prison.

68. Pei Jieshu: Community leader in Youtong village, Hebei Province. Also arrested in October 1989 but reportedly has been released. No confirmation of his release has been received.

69. Chen Youping: Layman of Fujian Province. Arrested on March 1, 1988, in Liushan village. He is reportedly free now, but this has not been independently confirmed.

70. Wang Jingjing: Layman of Fujian Province. Reportedly arrested on February 28, 1988, in Liushan village and reportedly released, but this has not been confirmed.

71. Zhang Weiming: Catholic intellectual. Apprehended along with his wife, Hou Changyan, on December 14, 1990, and held without charge. After two months, Hou Changyan was released and told that her husband was being held for religious and political reasons. Expected to be released from prison December 15, 1992. Chinese authorities reported his release in March, 1993 but there have been no independent confirmations.

72. Zhang Dapeng: Layman from Baoding Hebei. Arrested in mid-December 1990, along with his wife, Zhao Zhongyue, who was released after 3 months but has not been permitted to return to her job. Reportedly detained without charge.

73. Zhang Youshen: Age: 65. Retired editor, Huadong Bu Di Yi Jiaopian Chang (Chemical Industry Department #1 Film Factory), Baoding, Hebei Province. Sentenced without trial on July 2, 1991, to 3-year term of "re-education through labor," for writing unpublished article "Criticism of Chinese Catholic Patriotic Association." Serving term at Hengshui Labor Camp in Hebei. Chinese authorities reported his release in March, 1993 but there are no independent confirmations.

74. Zhang Guoyan: Son of Zhang Youshen. Administratively sentenced to 3 years of "re-education through labor." Chinese authorities reported his release in March, 1993 but there are no independent confirmations.

75. Zhang Youzong: Lay Catholic arrested in late 1990 or early 1991. Sentenced to three years' imprisonment. Chinese authorities reported his release in March 1993 but there have been no independent confirmations.

76. Shi Guohui: Catholic lay leader from Baoding, Hebei province. Reportedly arrested in late 1990. No further information is available.

PROTESTANT BELIEVERS

1. Xu Guoxing: Born March 1955. House-church leader in Shanghai. Arrested in Shanghai for "illegally establishing Church of God of Shanghai," he was under intensive investigation from March to June 1989, but released without charge. Rearrested in November 1989, charged with forming illegal house churches in Shanghai, Jiangsu, Zhejiang, and Anhui Provinces. Serving a sentence of three years "reform through labor," in Dafeng, Jiangsu Province.

2. Xu Yongze: Age: 51. From Nanyang, Zhenping County, Henan Province. House

church leader. Arrested on April 16, 1988, in Yuetan Park in Beijing, where he was attempting to attend a service led by American evangelist Billy Graham, by officials of the Ministry of State Security. Sentenced to three years imprisonment and released in May 1991. He has since been under close surveillance.

3. Song Yude: Age: 39. Pastor from Baimaio village, Yuehe District, Tongbo County, Henan Province. Arrested on July 16, 1984, for "counter-revolutionary" crimes in connection with his refusal to join the TSPM. Tried and convicted in January 1986, for distributing "reactionary" religious publications and conducting illegal religious meetings. Sentenced to eight years in prison and three years deprivation of political rights. While reportedly released in April 1992, it is believed Song still faces the deprivation of political rights.

4. Pei Zhongxun (Chun Chul): Age: 74. Protestant activist from Shanghai. Arrested in August 1983, and sentenced to 15 years in prison. He is in prison near Shanghai and allowed visitors only once each month. His family is concerned about his deteriorating health.

5. Sha Zhumei: Born in 1919. Member of independent Protestant church. Arrested at home in Shanghai on June 3, 1987, and reportedly beaten by police. She had previously served a six year sentence for her religious activities and allegedly urged her son, a religious protestor sought by police, to leave Shanghai. Tried November 2, 1987, reportedly in secret, and convicted of "harboring a counter-revolutionary element." She was released April 3, 1992 for health reasons but there are many restrictions placed on her.

6. Zhang Yonglian: House church leader from Fangcheng, Henan Province. Arrested and detained by Public Security Bureau in September 1990, for allegedly maintaining contact with international Christian organizations and receiving unauthorized religious literature from overseas. In late August 1991, sentenced to 3 years "reform through reeducation."

7. Xie Moshan (or Wushan): Age: in 70s. House church leader from Shanghai. Imprisoned for religious reasons between 1956 and 1980. Detained on similar charges in 1984. Arrested April 24, 1992, after returning from Guangzhou. Charged with "illegal itinerant evangelizing." Reportedly released July 23, 1992 but his movement is restricted and he is required to report periodically to the local Public Security Bureau.

8. Lin Xiangao (Samuel Lamb): Age: 67. Pastor of Damazhan house church in Guangzhou. Interrogated by Public Security Bureau officials March 23, 1992, about failure to register church. Church ransacked by PBS officials on March 24; interrogated again March 28 and ordered to register church which he has refused.

9. Chang Rhea-yu: Age: 54. Member of house church in Fujian Province. In May 1990, badly hurt when Public Security Bureau officials ransacked her home and confiscated Bibles and Christian literature. Detained August 25, 1990; charged March 27, 1991, with "inciting and propagating counter-revolution." Tried April 9-10, 1991, for holding illegal meetings; distributing seditious propaganda through cassette tapes; attacking the government, including action in Tiananmen Square; and corresponding with foreigners. Reportedly still in detention.

10. Yang Rongfu. Member of house church in Anhui Province. Reportedly arrested prior to June 1990 for unspecified reasons. Has been prevented from seeing his family.

11. He Suolie. House church leader from Henan Province. Arrested and sentenced in 1985 to 8 years in prison for opposing Three Self Patriotic Movement.

12. Kang Manshuang. House church leader from Henan Province. Arrested and sentenced in 1985 to 5 years in prison for opposing Three Self Patriotic Movement. No confirmation of his release.

13. Du Zhangji. House church leader from Henan Province. Arrested and sentenced in 1985 to 4 years in prison for opposing Three Self Patriotic Movement. No confirmation of his release.

14. Mr. Bai. Elderly member of Little Flock house church from Ye County, Henan Province. Arrested in 1983; charged with belonging to Shouters, holding illegal religious meetings, and receiving foreign Christian literature. As of March 1987, thought to be held in Kaifeng, Henan.

15. Zhao Donghai. House church leader from Henan Province. Sentenced to 13 years' imprisonment in 1982 or 1983.

16. Wang Dabao: Arrested in Yingshang County, Anhui Province, after August 1991.

17. Yang Mingfen: Arrested in Yingshang County, Anhui Province, after August 1991.

18. Xu Hanrong: Arrested in Yingshang County, Anhui Province, after August 1991.

19. Fan Zhi: Arrested in Yingshang County, Anhui Province, after August 1991.

20. Zhang Guancui: Arrested in Funan County, Anhui Province, after August 1991.

21. Zeng Shaoying: Arrested in Funan County, Anhui Province, after August 1991.

22. Leng Zhaoqing: Arrested in Funan County, Anhui Province, after August 1991.

23. Mr. Dia: Bible distributor from Hubei Province. Arrested June 1991.

24. Li Jiayao: House church leader from Guangdong Province. Arrested September 25, 1990, and sentenced September 17, 1992, to 3 years "re-education through labor" for receiving and distributing Christian literature. His family reports that the police offered to release him early if they paid RMB 3,000 (\$900). They have refused to pay.

25. Chen Zhuman: Age: 50. Arrested July 1992 and sentenced to three years' re-education through labor for "illegally" joining a local group of the New Testament Church and communicating with overseas members. Held in Quanzhou City and is subject to repeated beatings by guards and other inmates which have resulted in severe hearing loss and uncontrollable shaking of hands.

26. Chen Xiangyun: Age 74. Arrested August 1991 and sentenced to five-year prison term. Family members allowed to visit irregularly and for very brief periods.

27. Zhang Ruiyu: Age 54. Teacher at Physical Education Academy, Xianyu County, Fujian Province and house church member. Arrested August 25, 1990 following several months of harassment and beating. Held without charges until March 1991 and tried for "holding illegal meetings, distributing seditious propaganda through cassette tapes, attacking the government and corresponding with foreigners." Sentenced to four year prison term and reportedly being held in Fuzhou women's prison.

28. Mao Wenke: Age: 30's. Not currently being detained, she continues to be threatened with trial by the police. She is active in the "underground church" movement and an activist for the pro-democracy students still in prison. Her most recent detention was in September 1992 following a meeting with exiled dissident Shen Tong.

The following house church lay leaders and elders were arrested and tried together in 1986. All were accused of: membership in an

evangelical group outside the government-sanctioned TSPM; planning to overthrow China's proletarian-dictatorship and socialist system; linkage with overseas reactionary forces; receiving and distributing foreign materials; disturbing the social order; and disturbing and breaking up normal religious activities.

29. Mr. Wang Xincal: Age: 39. Evangelical leader from Zhancun village, Fuling Brigade, Xinji Commune, Lushan County, Henan Province. Sentenced to 15 years in prison.

30. Mr. Zhang Yunpeng: Age: 68. Evangelical leader from Zhaozhuang village, Houying Brigade, Zhadian Commune, Lushan County, Henan Province. Sentenced to 14 years in prison.

31. Mr. Qin Zhenjin: Age: 57. Evangelical deacon from Xinji Commune, Lushan County, Henan Province. Length of sentence is unknown.

32. Mr. Cui Zhengsha: Age: 45. Evangelical elder from Lushan County, Henan Province. Length of sentence is unknown.

33. Mr. Xue Guiwen: Age: 38. Evangelical elder from Linzhuang Village, Xinhua Brigade, Zhangdian Commune, Lushan County, Henan Province. Length of sentence is unknown.

34. Mr. Wang Baoquan: Age: 67. Evangelical elder from Second Street, Chengguan Township, Lushan County, Henan Province. Length of sentence is unknown.

35. Mr. Geng Minxuan: Age: 66. Evangelical elder from Sunzhuang Village, Malon Commune, Lushan County, Henan Province. Length of sentence is unknown.

Mr. MARKEY. Mr. Speaker, I yield 1 minute to the gentleman from California [Mr. STARK].

Mr. STARK. Mr. Speaker, I thank the gentleman for yielding this time to me.

Mr. Speaker, I rise in strong support of the Solomon-Markey resolution to deny most-favored-nation status to China.

It is not a question of sneakers or slave labor products or supporting increased trade. It is a question of a dirty little secret that we are ignoring today, and that is that China is helping to build and distribute nuclear weapons around the world, and we all know it. There is no one in this Chamber who would dare deny that China is not supplying nuclear equipment in cooperation to build nuclear weapons to countries like Pakistan, Iraq and Iran, and North Korea.

Sooner or later, we will have to defend ourselves against that.

This does not deny them most-favored-nation status forever, but it says to them that we are going to call you. You have got an \$18 billion trade surplus with us. Quit making weapons and we will cooperate.

Vote for the Solomon-Markey resolution.

Mr. CRANE. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Connecticut [Mrs. JOHNSON], a member of the Committee on Ways and Means.

Mrs. JOHNSON of Connecticut. Mr. Speaker, I rise in opposition to House Joint Resolution 208. I admire the intentions of my good friend, the gentleman from New York, but feel very

strongly that it is seriously short-sighted and in fact counterproductive to achieving the goals we all share.

The United States is the only nation that annually considers revoking MFN trade status for the PRC. In doing so, we ignore the fact that foreign investors, including United States companies, have brought free-market economics and new political ideas to some parts of the PRC economy, helping to raise the standard of living for many Chinese and to expose them to our democratic and social ideals which foster political change. Denying MFN would hit hardest those areas of the Nation that have moved most aggressively toward a market economy and are relative hotbeds of new political thinking.

China experienced double digit economic growth last year, and was one of only two nations to experience any growth. China is and will continue to be a critical market for United States manufacturing companies and it supports thousands of United States jobs. Should we pass this resolution, our failure to supply airplanes or elevators to China will not create a shortage of these or any other products, but will merely secure the place of foreign suppliers in the incredibly large and fastest growing market in the world. Inconsistent U.S. policy already has allowed European manufacturers to take business from us by arguing that U.S. companies are unreliable suppliers.

I remind my colleagues that over the past 5 years 80 percent of the growth in our GNP resulted from growth in exports. Our standard of living depends on successful exporting. Cutting ourselves off from the Chinese market will effect our standard of living and at the same time, diminish our ability to influence the very Chinese policies we oppose.

Mr. Speaker, since 1990, judicious congressional and Presidential pressure has forced the PRC to accept more change than would have otherwise occurred and supported the forces for change at a time when China faces inevitable, significant turnover in her leadership. In fact the pace of change in China is simply incredible. Not only have they changed the curriculum in their schools, not only is there education every morning on the radio about how to be an entrepreneur, but people are beginning to see their own personal futures differently and are behaving differently, economically and politically.

When Congressman ARCHER and I traveled to China a few months ago, we expressed concern directly to China's leaders that they released political prisoners, accept some of the moderate reforms proposed to open up their system, address their growing trade imbalance with us, and join the international effort to control the spread of nuclear arms. Assistant Secretary of

State for East Asian Affairs Winston Lord also visited China to express similar concerns. As a result, the PRC Government continues to take steps to release political prisoners, address human rights issues of concern to all free nations, and is more actively working with us on the issues of arms control and trade imbalances. I believe slow progress will continue, but as China's leadership changes, new leaders will have a far better understanding of the international communities expectations and the pace of change will accelerate. In the meantime, it is critical that we continue to trade with China and maintain our presence in that country so that we can continue to affect economic, social, and political change. I urge opposition to this resolution.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 2 minutes to the distinguished majority whip, the gentleman from Missouri [Mr. GEPHARDT].

Mr. GEPHARDT. Mr. Speaker, I rise today to join my colleagues, the gentlewoman from California [Ms. PELOSI], the gentleman from Illinois [Mr. ROSTENKOWSKI], the gentleman from Florida [Mr. GIBBONS], and the gentleman from Indiana [Mr. HAMILTON], among the many who worked tirelessly on China policy over the years, in asking Members of this body today to vote against the Solomon amendment.

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For the first time in years, Congress and the White House are speaking with one voice on America's policy toward China. While the previous administration—time and time again—refused to listen to the majority in both the House and Senate, we have a President now who is driven to find common ground, to listen to Congress and the American people in boldly charting a new course with Beijing.

President Clinton's policy makes it clear to the whole world that human rights are again a centerpiece of American policy. He has sent a message to Beijing that improving its human rights record, including its prison labor practices, is a prerequisite to gaining an extension of most-favored-nation trade status next year, and I believe the President is serious about revoking MFN next July if China does not comply.

In announcing his policy, both the President and the Secretary of State made crystal clear that stemming weapons proliferation and establishing more equitable trade practices are also critical to the future of our bilateral relationship. Proliferation, human rights, and free and fair trade are the core values of our foreign policy, and I am very pleased that the administration in consultation with this body has again elevated these issues to center stage.

Mr. Speaker, I urge Members, based on this cooperative successful policy,

to vote against the Solomon resolution and for the administration's China policy.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 1 minute to the gentlewoman from Washington [Mrs. UNSOELD].

Mrs. UNSOELD. Mr. Speaker, I rise in opposition to the Solomon resolution.

Six weeks ago President Clinton opened a new chapter in United States-China policy. With an Executive order he bridged a 4-year divide between the White House and Congress. While this body had spoken with a bipartisan voice in calling for conditioning the renewal of MFN, the previous administration was unwilling to use our huge trade deficit with China as leverage in pushing them to end the abuse of human rights.

Today, we speak with one voice. The band of leaders who crushed democracy's first breath in China should not doubt that if they do not change their ways, MFN will be revoked. The White House and Congress will not allow the renewal of MFN in 1994 unless China's dictators reverse their abominable human rights practices.

Let us use MFN as leverage as the President proposes to do. And let us make clear that we expect to see an end to the Chinese Government's tyranny in Tibet, including its policy of transferring Chinese nationals into Tibet in an effort to undermine that land's distinctive religious and cultural heritage.

Today, we have a simple message for the rulers in Beijing. The clock is ticking.

Mr. SOLOMON. Mr. Speaker, I yield 2 minutes to the gentleman from Florida [Mr. DIAZ-BALART], one of the newest Members of this House.

Mr. DIAZ-BALART. I think, Mr. Speaker, and Members, the question today should not be on trade preferences. It should be on trade sanctions. I think that this issue of most-favored-nation status for Communist China is a bipartisan disgrace. It was a disgrace in the Republican administration, and it is a disgrace today in the Democrat administration.

Because a nation has a lot of guns and a lot of bombs, and is, in effect, a terrorist state with a lot of fat-cat friends in the capitalist West, that does not make it eligible for trade preferences, Mr. Speaker. And that is the reality of Communist China, a lot of fat-cat friends, a lot of paid lobbyists in the West, a lot of paid lobbyists in this Capital, and that is why we are discussing trade preferences, maintaining a trade preference for a savage, barbaric regime that in the television cameras and in the eyes of the world massacred thousands of students just years ago, and here we are discussing, discussing, whether we are going to maintain trade preferences with that savage regime.

Mr. Speaker, there will be a free China, a democratic China, soon, and that will be the time to start discussing trade preference. At this time, it is right not only to cut off the trade preference, but to start talking seriously about trade sanctions, Mr. Speaker.

Mr. MARKEY. Mr. Speaker, I yield 1 minute to the gentleman from Ohio [Mr. APPELEGATE].

Mr. SOLOMON. Mr. Speaker, I also yield 1 minute to the gentleman from Ohio [Mr. APPELEGATE], a very distinguished member of the Veterans' Affairs Committee, one that we admire so much on this side of the aisle.

The SPEAKER pro tempore (Mr. MURTHA). The gentleman from Ohio [Mr. APPELEGATE] is recognized for 2 minutes.

Mr. APPELEGATE. Mr. Speaker, China has invaded our shores big time. The American people are mad as hell about it, and they expect Congress to do something about it. They have invaded big time with slave-labor-made products, child-labor-made products, 37-cents-an-hour-made products with a labor force that has no benefits whatsoever, and I say to my colleagues, all you have to do is go to any department store, walk in, and you will find all this Chinese crap laying all over the counters so you can go in and buy it, and they are sold by people making low wages, minimum wages.

Mr. Speaker, China has violated every trade agreement, every international trade agreement, and they send products worth more than \$20 billion to the United States, more than we send over there. That is a \$20 billion deficit and at 37 cents an hour, who is going to be able to buy American products over there?

We are losing to a country that has brutalized its people. It has destroyed the dignity of many people in China, stripped them of their human and civil rights, killed 1,700 people because they wanted to speak freely, and then we recognize them as an equal trading partner? Opening our doors? And then Americans are losing their good jobs?

Most-favored-nation status is a cockamamie idea that needs to be buried, and I commend the gentleman from New York [Mr. SOLOMON] for bringing this to the attention of the American people today.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair admonishes Members not to use profanity in their presentations on the floor of the House.

Mr. CRANE. Mr. Speaker, I yield 1½ minutes to the gentleman from Oklahoma [Mr. INHOFE].

Mr. INHOFE. Mr. Speaker, since I only get a minute and a half today, I did a special order last night, and I would ask unanimous consent that those remarks be inserted in the RECORD at this point.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

CHINA MFN STATUS

Mr. INHOFE. Mr. Speaker, who in this body would ever admit that he has changed his mind, because if he admits that, he is admitting he is wrong. Correct? No, very wrong. I have changed my mind, Mr. Speaker. A position can be right in the beginning and then become wrong when circumstances change. And that is exactly what has happened with this issue of MFN for China.

In years past, I argued on the floor with the same passion and enthusiasm, though admittedly not the eloquence, as the gentleman from New York [Mr. SOLOMON]. The difference between years past and this year is that I have been to China and have seen the boat that we are about to miss.

There was a time Communist Mainland China was dominated by that evil totalitarian doctrine that enslaved its citizens and forever precluded them from opportunity and freedom. I remember a book I once read, "Modernizing China" by Anthony Kubek. It compared the hope and opportunities of free Taiwan with Communist Mainland China. The culture was the same, the people were the same, the geography was the same, but Taiwan was rich and the Peoples' Republic of China was enslaved and poor.

Anthony Kubek's contrast was accurate. The per capita income in mainland China was \$300, compared to \$5,000 on Taiwan. On mainland China there was 1 refrigerator for every 250 families, while 96 percent of the Taiwan families had refrigerators. But that book was written in 1987, and China's situation has changed.

A renaissance has taken place just as profound and impressive as that in East Berlin. I remember, Mr. Speaker, when Erich Honecker, former Chairman of the German Democratic Republic was going to make his speech in East Berlin. The citizens had heard about all the wealth and opportunities that went with freedom and they were not going to be suppressed any longer. But Honecker was going to make one more last ditch effort to keep communism alive.

I went out to Andrews Air Force Base and hopped a troop transport over to Berlin to witness the event. Some thought it might be another Tiananmen Square. I remember so well going across Checkpoint Charlie. The thousands of people standing on the free side shouted chants of hope to their families and loved ones. I went to the Soviet sector and was approached by two Soviet soldiers. They tried to get us to let them in our car trunk to smuggle them to freedom in the West, knowing full well that if they were caught at the border, they would be executed. They had no way of knowing that only weeks later, the wall would come tumbling down.

Now, Mr. Speaker, the East Berlin I saw that day was supposed to be the garden spot of communism. If you were a good Communist all of your life, your reward was a week in East Berlin. Garden spot? It was the most depraved slum I have ever seen. A shoe store had eight pairs of shoes, and they were all on display in their store front window. A liquor

store had an inventory of three bottles of something, probably vodka. But whatever it was, it was oozing out of the top of the bottles.

Eighteen months later, I returned to East Berlin. I could not believe it was the same city. It was vibrant, bustling, and full of activity and commerce. It was indescribable what 18 months of freedom had done. A transformation had taken place.

Mr. Speaker, a comparable transformation has taken place in China. I traveled from Hong Kong up through the southern Province of Guangdong. Everywhere I looked, there was activity and commerce. The infrastructure had not kept up with commercial growth. It reminded me of the early part of the industrial revolution of the United States. In Guangdong Province alone, there were 7,000 factories. Not too long ago, there were virtually none. They were importing goods from most every country. I witnessed what is becoming the largest market in the world.

Upon returning to Oklahoma, I found out that my State is supplying many of their imports. The largest industry in my district is transportation, specifically aerospace and aviation. China is the largest potential market for the aerospace industry. Upon checking with the Chamber of Commerce and numerous business leaders in the community, I was shocked and pleased to learn how many firms, large and small, in my district, were exporting to China, both in the areas of aerospace and products produced for oil field related activities. Some of those companies are—Rockwell International, Flight Safety International, McDonnell Douglas Corp., Nordam, Burtel, and EG&G Chandler Engineering—just to name a few.

We can continue the growth of this great export market. All we have to do is treat them like everybody else. We shouldn't be calling our relationship most-favored-nation status. That is a misnomer. What we are discussing today is the question, should we single out China from all our other trading partners so that we can discriminate against them? We share MFN status with Spain, France, Germany, the United Kingdom, Ireland, Sweden, Finland, Denmark, Poland, Egypt, Morocco, Mali, Algeria, Saudi Arabia, and most other countries. So, if we deny MFN status to China, we are telling the fastest growing market in the world that we don't want to do business with them.

Mr. Speaker, what does this have to do with human rights, which seems to dominate the MFN issue? Very little. In fact, we shouldn't be debating both issues at the same time, or on the same day. We have everything to lose and nothing to gain. Are we so arrogant to think that we are the only market for China's booming economy? Right now, the Chinese are buying 76 percent of their airlines from McDonnell Douglas and Boeing. Do we somehow believe that they aren't going to buy from Airbus? Sure they are, and that means hundreds of jobs in Tulsa, OK, and I suspect in all the rest of the districts represented here today.

Do we not believe that China will retaliate against us if we try to tie the two issues of trade and human rights together? You bet they will. In 1992, New China Air deliberately

dropped a deal with Airbus after France agreed to sell Taiwan 50 Mirage fighters.

Am I somehow self-serving on this issue? Sure. McDonnell Douglas is estimating 175 sales to China over the next few years. A lot of them will be made in Tulsa. Boeing has signed a deal with China for 20 737's, 1 757, and 6 777's. And Boeing buys its control surfaces, skin, and many other components from Rockwell in Tulsa.

So, Mr. Speaker, you might say that I have changed my position of tying together trade and human rights. In years past, I have consistently tied the two together. I have tried to believe that we can force China into submission with MFN status, that we are so important and valuable that China can't get along without us, that we should impose our social and cultural standards upon China before we allow them to become our major export market, that we can tell a country that represents one-third of the world that we don't want to do business with them, and somehow come out ahead. I really tried to believe that.

But when I return to Oklahoma, as I do each weekend, and see the layoffs, the struggling companies and industries trying to survive, a sober reality sets in. Maybe, just maybe, we need China more than China needs us.

No one in this institution abhors human rights violations more than I do. I have fought against such violations all the way from Nicaragua to Siberia, and will continue to do so. But what about the human rights of our workers here in the United States? The right to be gainfully employed and export our products all over the world, the right to have jobs and feed our families.

I speak today to those of you who, like I, have previously sided with Mr. SOLOMON and Ms. PELOSI in this debate. There's nothing wrong with changing your position when the circumstances change—and clearly they have. Don't cut off what can become our largest trading partner, the partner that can create more U.S. jobs than any other. This is not a social issue we are deciding today, it's a jobs issue. Vote to continue our MFN status with China unconditionally, not for them but for us.

Mr. Speaker, I want to make three points.

First, I have changed my position on this issue, and that is what I explained last night. I think this is the only issue where I differ with the gentleman from New York [Mr. SOLOMON], and I was on his side last year, and the year before that, and the 4 years before that, and the reason I have changed is I have been to China, and I have seen the boat that we are about to miss. In Kwangtung Province, in the southern province, 7,000 factories where a few years ago there was none, and I looked around, and I saw how are they supplying these factories, and those are coming from Oklahoma, from New York, and from the United States, and it is a growing market. It may not be a surplus yet, but it will be. I came back, and I found in my district, in Tulsa, OK, we have major exporters to China: McDonnell Douglas, Rockwell, Nordam, Burttek, Flight Safety, Chan-

dlar Engineering, and we found that that is one of the major areas where we are exporting. Now the question comes up: Would they retaliate as a result of this and not buy where they can get the best deal, and I would suggest, yes, they would. New China Air had a contract to buy some Airbuses from France. They canceled that contract and bought from the United States because of the sale of 50 Mirages to Taiwan.

And lastly, Mr. Speaker, the third point that I would like to make is: Let us quit talking about most-favored-nation status. That is a misnomer. We have most-favored-nation status with virtually every country: Great Britain, France, Germany, Ireland, Saudi Arabia, Algeria.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 1 minute to the gentleman from New York [Mr. ACKERMAN].

Mr. ACKERMAN. Mr. Speaker, I rise in opposition to the resolution.

Mr. Speaker, I rise in opposition to House Joint Resolution 208, disapproving extension of most-favored-nation status to the People's Republic of China.

Mr. Speaker, the problem we confront as we consider the issue of MFN for China is simple to state:

How can we most effectively promote our human rights concerns in China, while at the same time supporting our other objectives?

The answer, unfortunately, is mad-deningly difficult.

Americans care deeply about human rights in China, and we rightly wish to use whatever influence we might have in Beijing to promote a greater respect for basic individual freedoms.

We remain extremely concerned about the future of political prisoners in China;

We are troubled by the use of prison labor;

We abhor China's persecution of religious minorities;

And we deplore Chinese activities in Tibet which threaten the very existence of that people.

But our relationship with China is multifaceted. We also care about economic liberalization that leads to further democratization.

We care about China playing a helpful role in Cambodia;

We care about using China's influence with North Korea to halt Pyongyang's rush to nuclear weapons;

We care about Chinese missile technology transfers to Syria, Iran, and Pakistan;

And we care about China playing a constructive role on the U.N. Security Council.

Mr. Speaker, the real question is whether we should allow a policy that has laudable goals, but also a better-than-even chance of backfiring, to dictate the relationship's direction.

My own sense is that it would be very unwise to permit any one issue to

dominate such a multifaceted relationship.

This is not a recommendation for business as usual.

Human rights must remain central in our dialog with the Chinese.

China should release its political prisoners, open its prisons to international inspection, permit foreign observers to attend Chinese trials, end its population transfers in Tibet, and halt the jamming of Voice of America and other international radio broadcasts.

But unless we maintain a dialog with Beijing, none of these issues can even be addressed.

And the surest way to shut off dialog is to revoke MFN, or to make its renewal contingent upon the Chinese meeting conditions that are not attainable in the near term.

Mr. Speaker, I believe that the President's Executive order renewing MFN for China accomplishes the objective of balancing our concerns over human rights while supporting other objectives.

I urge my colleagues to support the President and vote "no" on House Joint Resolution 208.

□ 1150

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 1 minute to the gentleman from California [Mr. MATSUI].

Mr. MATSUI. Mr. Speaker, I thank the chairman of the Committee on Ways and Means for yielding this time to me.

Mr. Speaker, I come in strong opposition to the Solomon amendment. If in fact we want to open up China, if in fact we want democracy in China some years down the road, the only way we are going to get it is by maintaining trade.

I think one of the gentleman on the other side of the aisle who visited China indicated what is really the situation there. Trade is happening in southern China. We are creating an entrepreneurial class in China at this time. The way we get democracy is by getting a marketplace system in China.

Second, we need to give this President an opportunity to negotiate without interference from Congress. I believe that the Executive order that President Clinton came up with, with the help of the gentlewoman from California [Ms. PELOSI], was one in which eventually we are going to see progress with the Chinese in the area of human rights, nuclear proliferation, and these other issues.

So, Mr. Speaker, I urge strong opposition to the Solomon amendment.

Mr. SOLOMON. Mr. Speaker, earlier we heard from the chairman of the Committee on Foreign Affairs, and now we will hear from the ranking Republican of the Committee on Foreign Affairs, the distinguished gentleman from New York [Mr. GILMAN], to whom I yield 2 minutes.

Mr. GILMAN. Mr. Speaker, I commend the gentleman from New York [Mr. SOLOMON] for his leadership throughout the years on this significant humanitarian issue. I wholeheartedly and strongly support the Solomon-Markey resolution.

Sunday's New York Times included an excellent article entitled "Who Armed Iraq? Answers the West Didn't Want To Hear". I urge my colleagues to read that article because it is important that the Congress is aware that the United States came in only second to Germany in the number of commercial deals with Iraq related to nuclear technology and equipment. In a separate category, in terms of the breakdown weighted for importance to Iraq's nuclear and missile programs, the United States tied for sixth place with Great Britain.

I bring this to my colleagues' attention because I am wondering when we will learn from our mistakes. One day when an article is written on what countries helped Communist China underwrite its enormous military buildup, the United States may finally come in first place. We have coddled the dictators in Beijing for so long with open access to our markets, that their country now has enormous growth rates and the third largest economy in the world. I hope we will show the American people that we have learned our lesson that arming dictators will not civilize them and that we truly care about human rights throughout the world.

Accordingly, I urge my colleagues to support the Solomon-Markey resolution disapproving most-favored-nation status for the People's Republic of China.

Mr. Speaker, I thank the gentleman from New York [Mr. SOLOMON] for yielding this time to me.

Mr. MARKEY. Mr. Speaker, I wish to ask the Chair how much time each side has remaining.

The SPEAKER pro tempore (Mr. MURTHA). The chairman of the Committee on Ways and Means, the gentleman from Illinois [Mr. ROSTENKOWSKI], has 6 minutes remaining, the gentleman from Massachusetts [Mr. MARKEY] has 3 minutes remaining, the gentleman from New York [Mr. SOLOMON] has 3 minutes remaining, and the gentleman from Illinois [Mr. CRANE] has 3½ minutes remaining.

Mr. MARKEY. Mr. Speaker, I yield myself the remaining time that I have been allotted.

The SPEAKER pro tempore. The gentleman from Massachusetts [Mr. MARKEY] is recognized for 3 minutes.

Mr. MARKEY. Mr. Speaker, in the 1980's this country had a policy that said that nonproliferation was none of our business. The Chinese for the last decade have had a policy which says that nuclear proliferation is good business, and they have engaged in that practice in an indiscriminate way that

has endangered region after region across this planet.

The obligation of our country and of the Members of this body is to deal with the causes of proliferation in this world, not to wait until the consequences are being suffered by region after region around this planet. We are appropriating on this floor, through our defense appropriations process, billions of dollars to defend areas of this globe against the threat of nuclear proliferation. It comes out of the pockets of the taxpayers of our country. If we are sincere about dealing with the long-term consequences of nonproliferation, we must support the resolution as propounded by the gentleman from New York and the gentleman from Massachusetts over the last 4 years, not just with the short-term diplomatic-military-economic considerations that have long dominated the policy makers in our country.

This is both a Democratic and Republican effort, by the way. This has been a nonpartisan, blind eye that has been turned to nuclear proliferation problems on our planet.

Conditional MFN support for China is like saying to a three-time convicted felon that "For the fourth time in a row we are going to give you 100 days of community service as your punishment." It does not send the proper strong message to the Chinese.

They are guilty of human rights abuses. They are guilty of using slave labor. They are guilty of engaging in unfair trade practices. They are guilty of selling nuclear and missile technology to country after country around this planet without any regard for the long-term safety of human beings.

This is the responsibility of the U.S. Congress. We do not need to wait any longer. The Chinese will not cut off trade with us. They have an \$18 billion surplus, God help us. We do not have to worry about that. They will keep selling their products in our markets. Let us not allow them, however, to engage in trade practices while we encourage them with the very best tax and tariff policies that our country has to offer. We cannot adopt a wait-until-next-year policy. This is not baseball. This is nuclear weapons proliferation across the planet.

Mr. Speaker, I ask the Members to support the Solomon resolution here on the floor today.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 1 minute to the gentleman from Virginia [Mr. PAYNE].

Mr. PAYNE of Virginia. Mr. Speaker, I rise in opposition to House Joint Resolution 208 and support the administration's balanced approach of extending most-favored-nation status to China—while at the same time—setting important goals to be met in critical areas.

By encouraging exports and a good trading relationship with China we are

promoting American economic growth, competitiveness, and employment. At the same time, there are important issues that must be addressed in our relation with the Chinese. The President, in his Executive order, deals with these issues; human rights, arms proliferation, and trade reform. Regarding trade, it is estimated that at least \$2 billion—and possibly as much as \$4 billion—worth of Chinese-made clothing enters the United States each year with a false country of origin. These illegal transshipments have a devastating impact on our domestic textile and apparel industries and American workers are the losers. We must stop this and other abuses if we are to have a successful trading relationship.

I am encouraged by the administration's commitment to halt the flow of transshipped goods into the United States. For example, several weeks ago the Customs Department successfully convicted known transshippers from China as a part of its operation Q-Tip.

This is an on-going investigation into the illegal importation of textiles and apparel from China. I am hopeful that with this type of commitment from the administration, we can halt the flow of illegal goods into the United States and assure American workers that their jobs will not be lost due to illegal trading practices.

Mr. Speaker, I urge my colleagues to support the administration's efforts and oppose this resolution.

□ 1200

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 1 minute to the gentleman from Massachusetts [Mr. NEAL].

Mr. NEAL of Massachusetts. Mr. Speaker, I would note the irony of this debate this morning, because I find myself much in agreement with what has been stated by the gentleman from Massachusetts [Mr. MARKEY] and indeed the gentleman from New York [Mr. SOLOMON]. But I rise in opposition to the Markey-Solomon proposal this morning for what I think is a very good and legitimate reason: the new President of the United States ought to be fundamentally granted the latitude to conduct this foreign policy issue.

Mr. Speaker, we have an opportunity but 1 year from now to return to this Chamber and to revoke MFN status on a timely basis. In addition to that, the person in this institution who has gained in my judgment the most credibility on this issue is the gentlewoman from California [Ms. PELOSI]. If the gentlewoman is willing to grant the new President 1 year to develop a strategy with which we can live, exercising protection for human rights in Asia, then I think the rest of us in this institution can live with it.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 1 minute to the gentleman from Oregon [Mr. KOPETSKI].

Mr. KOPETSKI. Mr. Speaker, I rise in strong opposition to the Solomon resolution.

The proponents of this resolution note an array of serious problems in the United States-China relationship. Many of the concerns expressed in the resolution share unconditional MFN, like myself, have also outlined in recent years. Yes, we are concerned about human rights, and the U.N. Convention on Human Rights is the appropriate place to address this issue, not MFN. Yes, we are concerned about weapons proliferation and bilateral negotiation is the appropriate means to deal with this issue. Yes, we are concerned about our trade relationship with China. China's behavior in all of these areas, at times, has been questionable.

In my opinion, the resolution before the House today is irresponsible and counter to U.S. economic and humanitarian, and peace initiative for numerous reasons. China is a nation of 1.2 billion people, fully 22 percent of the world's population live in China. China is an economic superpower. The United States cannot ignore or place our relations with China on hold. This Nation must have a comprehensive China policy. I am convinced President Clinton recognizes this fact.

On weapons proliferation, the administration must have the flexibility to push the Chinese toward greatly restricting their arms sales. However, one would be naive to state that China is the only rogue nation peddling arms globally. China ranks a distant sixth behind other rogue nations like Britain, France, Germany, and Russia. The United States is the world leader in arms sales. The United States is not only guilty of arms proliferation, we are the most guilty. According to a story in today's Washington Post, the United States sold \$13.6 billion in arms to Third World nations in 1992. China, in comparison, sold \$100 million in arms to Third World nations in 1992.

China is demonstrating its emerging role as a superpower by constructively and responsibly helping to bring North Korea back from engaging in the production of nuclear weapons and to remain in compliance with the Non-Proliferation Treaty. China will be critical to the Clinton administration goal of achieving a comprehensive test ban treaty. The fact is China's nuclear weapons test site remains silent today and I am hopeful China will extend this silence and support a CTB.

In the Pacific basin, China is beginning to flex itself as a regional superpower both militarily and economically. China's military budget is growing, although it remains relatively small compared to this Nation's defense budget. Nonetheless, increased military expenditures in China disturb and trouble China's neighbors like Japan, Taiwan, and Hong Kong. China's role in the Pacific is important to this country and our friends and allies in the Pacific rim region.

Hong Kong is but one important example. Scheduled to return to Chinese sovereignty in 1997, Hong Kong's fate is tied to China today and in the future. Revoking MFN threatens the United States 13th largest trading partner and the 900 American companies who use Hong Kong as a gateway to Pacific commerce. Additionally, it will have a negative effect on the people of Hong Kong in preparation for transition to Chinese sovereignty. The future of Hong Kong, though little reported in this country, is of immense importance to the United States and particularly, to States like Oregon who are heavily involved in Pacific rim trade. Pacific rim trade means jobs for Oregonians and for many Americans.

Mr. Speaker, I oppose this legislation. It is irresponsible to deny MFN to China and seek to isolate China at this time. Denying MFN to China will cripple the administration's efforts to develop and implement a comprehensive China policy and take away the incentive for the Chinese to consider the United States objectives in this new, emerging relationship. The Clinton administration is committed to engaging China across the board. The President's Executive order is the most appropriate course of action. Give our new President the chance to fashion a new American broad-based foreign policy with respect to China. Let us not legislate away a tool the President may need to effectuate sound foreign policy. I urge my colleagues to defeat the resolution.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield such time as he may consume to the gentleman from New York [Mr. NADLER].

Mr. Speaker, I yield 1 minute to the gentleman from New Mexico [Mr. RICHARDSON].

Mr. RICHARDSON. Mr. Speaker, President Clinton just got back from a very successful Asian tour, and I think, as my colleague, the gentleman from Massachusetts [Mr. NEAL], pointed out, let us give him a chance on China policy as we have done with South Korea and North Korea, and as we have done on trade issues.

Mr. Speaker, the gentlewoman from California [Ms. PELOSI] has worked harder on this issue than anybody, in the days when we had no conditionality on human rights, when we did not stand for human rights principles in our dealings with China. Now we have an Executive order from the President that links China's performance with the Tibetan situation, with political prisoners, and with many other internationally acceptable standards of human rights.

This is an administration that cares about human rights. It has shown its concern on Indonesia, it has shown its concern on Haiti, it has shown its concern at meetings dealing with the Geneva Convention. Let us give the ad-

ministration a chance. Let us come back a year from now and see if some of those atrocities that the gentleman from Massachusetts [Mr. MARKEY] mentioned, which are correct, have been dealt with effectively and diplomatically.

Mr. CRANE. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Iowa [Mr. LIGHTFOOT].

Mr. LIGHTFOOT. Mr. Speaker, I appreciate the gentleman yielding.

Mr. Speaker, I rise in opposition to the resolution. It is not often I disagree with the gentleman from New York [Mr. SOLOMON]. I think what we are talking about today is; do we believe in democracy or do we believe in being the biggest bully on the block to try to prove a point?

I think the whole issue here is power to the people, power to the people of the United States, and power to the Chinese people.

In Chen Xian, China, in January, I looked at what was a rice field in 1989, it now is a five-star hotel. Traveling through that community, looking at the television antennas festooned on the top of every building, I asked a Chinese official, a Government official, knowing the law says all they can watch is the Government channel, I asked him, "What are the people watching here," expecting that answer. His response was to tick off all the Hong Kong stations, the BBC, and CNN.

He said, "Of course, we are all required by law to watch the government channel, but no one does, because they are not interested in politics anymore."

I say to my colleagues that we are seeing change take place in China. It will only continue if we continue to give power to the Chinese people to evoke that change and the power to our people, some 30,000 folks in my State, whose jobs depend on trade with China.

Although Members of Congress may disagree on the policy prescriptions, no one disputes the serious human rights abuses in China, the fact that the Chinese Government pursues mercantilist trade policies and their arms sales could lead to the destabilization of many parts of the world. But we must pursue policies which are appropriate to each separate issue and offer a realistic hope of real results.

Revoking MFN to China will not greatly harm the butchers who ordered the attack at Tiananmen Square. But it will harm the Americans whose livelihood depends on trade with China, it will hurt the people of Hong Kong who are attempting to negotiate the delicate transfer to Chinese authority and it will hurt, most of all, the Chinese citizens who are experiencing economic freedom.

This new found economic freedom is driving political change within China,

change which will inevitably lead to a more open form of government and greater personal liberties. And unlike Russia, I believe that eventually China will join the family of enlightened, civilized nations without requiring an infusion of American cash in order to keep them democratic.

It's an unlikely group of people who rise today in opposition to the resolution. Frankly, I think the Clinton administration is fooling itself if it believes China will make all the changes required for MFN renewal in 1994. The President's policy solves nothing, just defers debate. But avoiding tough decisions is typical of the new administration.

So I have no doubt that we will easily defeat this resolution today. But I look forward to next year's debate on this issue, when this House is faced with the prospect of unemploying hundreds of thousands of Americans so the administration and certain Members of this House can score well meaning, but pointless debating points.

Mr. CRANE. Mr. Speaker, I yield 1 minute to the distinguished gentleman from California [Mr. DREIER].

Mr. DREIER. Mr. Speaker, it gives me great pleasure to stand in this well and support President Clinton. President Clinton is right on target when he calls for extension of most-favored-nation trading status. We have heard from people who have changed their minds. I happen to be one who has been committed to it from the very outset.

Three years ago I had the chance to meet with Fang Lizhi, the Chinese dissident who was imprisoned for years, when he was released and I met with him in London. He said, "Talk about human rights violations, but don't leave China, a country with a devastated economy."

Mr. Speaker, if you do not maintain most-favored-nation trading status, you clearly will do that.

I flew back Monday night with Bob Novak, the columnist who had just come back from China. He said to me that he has historically opposed most-favored-nation trading status. But having looked at the Provinces of Guangdong and Fujian, he has concluded that most-favored-nation trading status is the only way in which we can continue to engage the Chinese people.

Oppose the Solomon amendment.

Mr. CRANE. Mr. Speaker, I yield my remaining time to the distinguished gentleman from Arizona [Mr. KOLBE].

Mr. KOLBE. Mr. Speaker, I rise today in opposition to House Joint Resolution 208. Sixty days from now, if the Solomon resolution is approved, China's MFN status would be rescinded. The United States will confront a huge void in its policy of effecting lasting political reform in China with improved trade and economic exchange.

I have always believed that the best tool in our political reform arsenal is trade. Trade is a powerful lever for political change because it is such a powerful mechanism for economic change.

This debate on China MFN status goes to the heart of a fundamental question this Congress has grappled with for many years; how should our trade and political policies be linked? I believe our policy should be aimed at promoting evolution of a society that will be able to press for political reform on its own behalf. MFN is a political tool, a catalyst of change. The best way to advance our international political objectives is to promote greater trade. Trade can be the kind of change that evolves the political process of a nation inevitably, as it moves toward a market directed economy. It gives China an incentive to heed United States concerns—not undermine them. While China may be in our line of fire, withholding MFN will never work as a Secret Service guarding political freedom in that country.

If MFN is revoked, all our efforts to ensure that China moves forward on our broad agenda of market access, human rights, and international security matters will be lost. Economically, China represents an enormous export opportunity for our manufacturers, it is already an \$8 billion export market for us. China's economy is now the third largest in the world. Stripping away MFN would strip away the opportunity to sow the seeds of market principles in China and create jobs at home. Importers and consumers will suffer. China will turn away from America and look to other partners who are eager to engage in bilateral relationships.

The fundamental question is this: What action can we take today that will further democratic reform and promote more open markets in China? I do not believe we can afford to undercut the reformers who depend upon our trade and economic contracts as a means to bring about political advances.

Mr. Speaker, I urge my colleagues to vote "no" on House Joint Resolution 208.

Mr. SOLOMON. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Virginia [Mr. WOLF], who has led the fight against this kind of Communist enslavement for many, many years.

Mr. WOLF. Mr. Speaker, I rise in strong support of the Solomon amendment. Let me just thank the gentleman from New York [Mr. SOLOMON] and the gentleman from Massachusetts [Mr. MARKEY] for offering this. It had to be offered. If it were not offered, it would have been a disgrace and blotch on this body.

Mr. Speaker, let me also pay tribute to the gentlewoman from California [Ms. PELOSI] for the work she has done.

Clearly she has made a tremendous difference.

I thought a lot about this. I did not want it on my record that I had walked up and voted against the Solomon amendment when future generations look back and know what has happened. I was not sure what I was going to do. But when I looked at Harry Wu's photo exhibit, and Harry Wu was in the Chinese gulag for 19 years, last week in the Cannon Office Building, and saw the pictures of the priests and the bishops and the ministers, some who are still in jail in China and others who had been in prison for 37 years, I could not in all honesty ever come here and vote to give the Chinese Government any recognition when that government continues its atrocious record of religious and political persecution of its people.

Let me just say to the Members on both sides that are voting against Solomon: you now have an obligation that you will be held accountable for with your conscience to hold the Clinton administration accountable for the Chinese Government's actions. And it won't be enough to wait for the 2 weeks just before MFN for China comes up again next year and the Chinese Government frees somebody from prison and makes a big deal about how they are improving their human rights record.

My sense is Solomon may not pass. I hope it does. I urge everyone, if you want a good vote, to vote for Solomon.

But for those that do not vote for Solomon and Markey, think about this vote when we hear, as the gentleman from Massachusetts [Mr. MARKEY] said, of another Chinese arms export, and the Chinese are now sending arms into Sudan, where perhaps they are being used to kill people in southern Sudan. Do not forget that. It did not come up here. Nobody talks about it, but the gentleman from Massachusetts [Mr. MARKEY] is right.

□ 1210

So those of my colleagues who vote against Solomon, they have such a burden, such an obligation to hold the Clinton administration accountable for the future actions of the Chinese Government. Because if China does not clean up its act under this resolution, they will have to withdraw MFN, they will have to take it away next year.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield the balance of my time to the gentlewoman from California [Ms. PELOSI]; and let me say that nobody has worked more diligently for the passage of this legislation and worked on behalf of this legislation more than the gentlewoman from California [Ms. PELOSI].

Ms. PELOSI. Mr. Speaker, I thank the chairman for yielding time to me and for making this day possible, a day when we can come to the floor and join

the President of the United States and send a unified message to the Chinese regime that the clock, as the gentlewoman from Washington [Mrs. UNSOELD] has said, is ticking; that in the next year, by next July, China will not have most-favored-nation status unless it meets the conditions of the President's Executive order.

I would like to commend my colleague, the gentleman from New York [Mr. SOLOMON] for his relentless and great leadership, the gentleman from Massachusetts [Mr. MARKEY] as well, in bringing their resolution to the floor.

Frankly, the force of their arguments give greater leverage to our Executive order and the obligation that the gentleman from Virginia [Mr. WOLF] referred to that we have by next year to either extend MFN, if the conditions are met, but definitely not extend MFN, if they are not.

I agree with the indictment of China made by the gentleman from Massachusetts [Mr. MARKEY], the gentleman from New York [Mr. SOLOMON], the gentleman from Virginia [Mr. WOLF], the gentleman from New York [Mr. GILMAN], and others about the conditions in China relating to human rights, weapons proliferation, and trade violations. I do not agree with my colleagues, even though we will be voting together today, that MFN should not be used as a tool.

I believe that the President has put forth a policy that is reasonable and achievable, conditional MFN. This is what he promised in the campaign, as the New York Times stated. "On China, Mr. Clinton kept the faith."

So if I agree with the indictments, and I disagree that MFN should not be a tool, as some of our colleagues have espoused today, why then do I oppose the Solomon amendment? I do because of the strength and the power of the Executive order.

I believe it is the appropriate tool to use. If we trivialize it, so will the Chinese Government.

I think it is very important for us to get a big vote today, as sympathetic as I am to the gentleman from New York [Mr. SOLOMON] and the gentleman from Massachusetts [Mr. MARKEY], a big vote behind the President of the United States so that a very clear message is sent to the Chinese Government that unless these conditions are met, no kidding, next year, most-favored-nation status is revoked.

The day the President signed the Executive order was a proud day for us. The gentleman from Illinois [Mr. ROSTENKOWSKI], the gentleman from Missouri [Mr. GEPHARDT], the gentleman from Washington [Mr. FOLEY], and Mr. MITCHELL on the Senate side, helped make it possible. It was great to see the Chinese dissidents, Chai Ling, Shen Tong, Li Lu, the commanders of the Tiananmen Square dissidents surrounding the President of the United

States as he signed the order; Lodi Gyari, representative of His Holiness, the Dalai Lama was there, supporting the Executive order, because this year the language on Tibet is stronger than ever before.

I support the Executive order because it contains the provisions of the legislation which we have passed in this House year in and year out, that hundreds of Democrats and Republicans alike have supported year in and year out.

If then, that is what we want, and we requested this of the President and he signed it, I believe we should support it.

I think we have an obligation, as the gentleman from Virginia [Mr. WOLF] pointed out, and I want to reemphasize that, MFN for China will be revoked next year if China does not comply with the provisions of the Executive order.

The Executive order lays out the benchmarks, and China has 1 year to meet them. If they do not meet them, the course of action is clear.

Today, I urge my colleagues to vote "no" on the Solomon-Markey amendment and urge my colleagues to support President Clinton.

Mr. SOLOMON. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, a previous speaker on our side of the aisle, the gentleman from California [Mr. DREIER], took the well and proudly bragged about supporting MFN for China all these years. I would just say to the gentleman that it was he and others, Republicans included, who may well have contributed, unintentionally, to the continued enslavement of the people in the People's Republic of China for the past 14 years.

We denied MFN status to the Soviet empire, and the Soviet empire is gone. There is no more communism in Central and Eastern Europe, and we, as Americans, can be so proud because we helped bring it down.

At the same time, we have given MFN status to the People's Republic of China, and what has happened? We have communism maintaining its grip in areas of East Asia, in contrast to what happened in Eastern and Central Europe.

If we had been smart and had never given MFN to China 14 years ago, those 1 billion people could well be free today. North Korea, Cambodia, and Vietnam could be free as well.

When are we going to stop propping up communism in East Asia? That is why everybody ought to vote for the Solomon-Markey resolution; Members will see the Chinese come to the bargaining table tomorrow, because they want to have that \$18 billion trade surplus with the United States of America.

Vote "yes" on Solomon-Markey.

Mr. DERRICK. Mr. Speaker, the arguments for denying most-favored-nation trade status to

the regime in China range from their human rights abuses of their own citizens to their blatant proliferation of nuclear weapons and ballistic missile technology to countries like Iran and North Korea.

In South Carolina, however, we are more concerned about the shadow trade practices of the Chinese which have resulted in the United States running a \$20 billion trade deficit with that country. We are being denied access to one of the world's largest markets, and in return we continually open up our market to them. We are allowing them to export their goods made by prison labor into this country at the same tariff levels we offer our other trade partners who truly do open their markets to our goods and follow internationally accepted trade practices.

China continues to refuse to enforce laws against the piracy of intellectual property and patents, continues its use of prison labor, and continues to evade United States restrictions on textile and apparel goods by transshipping pieces through Hong Kong. All this while they are considered one of our most favored trading partners.

This policy has resulted in the loss of thousands of textile and apparel jobs, and tens of thousands of other manufacturing jobs, across the country. China's record of human rights and as a proliferator nation should give one pause before granting them special status. Their continued disregard for our trade laws and agreements made in good faith should convince anyone that this policy can not persist.

I will continue to fight for the rights of the textile and apparel workers in my State and across the country that continue to get beaten up by China's indifference to their own people as well as their indifference to our trade regulations. I must oppose the granting of most-favored-nation trade status for China.

Mr. SPRATT. Mr. Speaker, I rise to support House Joint Resolution 208 and oppose an extension of most-favored-nation [MFN] trading status for China. Other Members during this debate have raised important concerns regarding China's violation of human rights and its sale of military equipment to nations like North Korea and Iran. Both China's human rights policies and its contributions to weapons proliferation are reasons to deny China an extension of MFN. But as the chairman of the textile caucus, I would like to provide an additional reason why I oppose an extension of MFN.

China habitually violates international trade agreements limiting the import of Chinese textiles and apparel into the United States. China is not our only trading partner transshipping large volumes of illegal textiles. A number of other nations, particularly Asian countries, are also reported implicated. It is time for the United States Government to send the Chinese as well as these other nations a clear message that we will no longer tolerate the transshipment of billions of dollars in illegal textiles and apparel. The United States Customs Service has conservatively estimated that China is illegally transshipping as much as \$2 billion worth of textiles and apparel to the United States annually (the actual figure could be as high as \$5 billion). A few weeks ago, officials connected to a Chinese trading company

in New York were convicted of textile customs fraud. Other cases are pending. At the same time that Chinese fabric enters our market, United States manufacturers find the Chinese market closed to American products. China now enjoys a \$18 billion overall trade surplus with the United States.

Whether or not Congress decides today to deny China's MFN status, I call upon the State Department and United States Trade Representatives [USTR] to vigorously pursue the issue of textile transshipment with the Chinese Government and other appropriate governments. I also urge our trade negotiators to include stiff enforcement provisions in the new MFA bilateral treaty we are negotiating with China and other textile exporting nations. For example, I believe that all of our MFA bilateral treaties, including China's should permit the United States to impose triple charges against a violating country's quota. China must understand that we are serious when we say that we expect them to obey the trade agreements which they sign. America has already lost thousands of jobs and billions of dollars in revenue thanks to illegal transshipment. But until we can show nations like China that we are serious, illegal textiles will continue to arrive.

Mr. LEACH. Mr. Speaker, despite overheated campaign rhetoric by candidate Clinton suggesting a signal shift in American foreign policy toward China, the new administration has in fact wisely adopted 98 percent of former President Bush's approach to Sino-American relations.

As President Clinton now realizes, few developments could cause greater instability in Asia than the instigation of a cold trade war with China. All Members understand that our relationship is burdened by serious U.S. concerns on nuclear and ballistic missile proliferation, trade, labor and political rights. Yet any congressional action such as contemplated in this resolution that removes the basis for normal nondiscriminatory trade profoundly jeopardizes economic and political reform within China, as well as peace, stability, and prosperity in the region.

Revocation of MFN would reverse America's historic open door policy to China in favor of a counterproductive bolted door approach, unilaterally ceding our progressive influence and market share to others.

Revocation of MFN would have the perverse effect of negatively impacting those elements in China we most want to support—the free market entrepreneurs in South China and now Shanghai who are responsible for so much progressive economic change.

Revocation of MFN would in fact undercut the multiplying stepchildren of Adam Smith and allow a tightening of the reins of economic and political power by the discredited disciples of Marx, Lenin, and Mao.

Revocation of MFN would, from an American agricultural perspective, be the equivalent of a unilateral embargo on soybean and other grain sales, hurting the American farmer and Chinese child, not Communist apparatchik.

Revocation of MFN would undercut our friends in Hong Kong and Taiwan and potentially impel political change of a negative nature outside as well as inside China.

And in a broader foreign policy context, revocation of MFN would undercut the new-found

authority and effectiveness of the U.N. Security Council and end any hope of Chinese cooperation on issues as wide ranging as Cambodia nation-building, Serbia peacekeeping, as well as arms proliferation in the Middle East and nuclear proliferation on the Korean Peninsula.

Perhaps most significantly, revocation of MFN would dangerously signal to American friends and allies throughout East Asia that the United States is a less predictable and less reliable partner for peace and stability throughout the world.

Let's not play Russian roulette with American national interests and recognize that while the human rights policy of the Chinese Government demands congressional criticism, efforts to advance a democratic and human rights agenda for the Chinese people demands American economic engagement.

Let's help precipitate a peaceful evolution to democracy and international cooperation and not box China into a return to a new era of cultural revolution at home and antagonistic foreign policies abroad. I urge the defeat of the resolution.

Mr. MCCURDY. Mr. Speaker, I rise in opposition to House Joint Resolution 208, the measure to deny most-favored-nation trade status for China.

I rise as someone who has long argued that the United States must promote democracy throughout the world. I have fought to defend programs that underwrite democratic experiments in dozens of other countries. I have championed the National Endowment for Democracy, aid to democratic opposition groups, economic and military assistance to democracies, and direct U.S. security commitments to a few select friends and allies.

I strongly agree with the substance of this legislation's concerns. China's human rights practices are an offense against humanity. In years past, I voted to condition China's MFN status on human rights improvements.

But democracy is not a simple goal, especially in a nation as vast and complex as China. If history tells us anything about China, it is that the country has an enormous capacity for isolation. Imposing sanctions and making demands of China's leaders can only be counterproductive.

This legislation will not free one political prisoner. It will not close one prison labor camp. It will not stop a single Chinese arms sale.

Meanwhile, denying MFN would destroy the exciting experiment with free-market economics now underway in China. Primarily in China's southern provinces but increasingly throughout the country, the influence of the Communist Party is one the wane. Capitalist factory managers, economic planners, and entrepreneurs are winning more and more autonomy every day.

Foreign investment, from Hong Kong, Taiwan, Japan, and increasingly the United States, is transforming the economic face of China. Gradually, the outside world is gaining influence.

And the lesson of Eastern Europe is clear: such economic reforms lead inexorably to political reform. The process may move more slowly in China, but it is underway. The light of democracy has begun to flicker within China's economic liberalization.

This legislation would extinguish that light, and with it the hopes of millions of Chinese for a more prosperous, more democratic future.

From a strategic perspective, few nations will be more important than China in coming years. Indeed, within a decade it may be the only country with a combination of political, military, and economic power that rivals the United States. The safety and stability of East Asia, global arms control and nonproliferation goals, and our own national security all demand that we encourage China down the path of moderation.

This legislation would undermine that goal. It would isolate China from the world community and fracture Sino-American relations. With nothing to lose, Chinese leaders could easily veer toward a foreign policy of extremism and violence.

The President has laid out a good, workable strategy toward China. With an administration in office that is truly focused on these issues, we should give the executive branch an opportunity to make progress on the goals we all share.

I urge my colleagues to reject House Joint Resolution 208.

Mr. DICKS. Mr. Speaker, I rise in strong opposition to this shortsighted and counterproductive resolution. The President has undertaken what I believe is a prudent and balanced approach to our relations with the People's Republic of China. He has clearly indicated his intention to pursue our very legitimate concerns in areas such as human rights, arms proliferation and unfair trade. At the same time he has not chosen at the outset of his Presidency to abandon constructive dialogue with the most populous nation in the world.

As Congressman LEE HAMILTON, chairman of the House Foreign Affairs Committee noted in his April 1 address, "A New U.S. Policy on China," we have a wide range of tools that can be utilized to positively influence Chinese behavior. Chairman HAMILTON's suggestions include:

Withholding approval of important high-technology items in order to secure Chinese compliance with proliferation commitments;

Initiating section 301 negotiations on issues of intellectual property and market access, raising the prospect of selective punitive tariffs to secure Chinese cooperation;

Subjecting China's actions to international scrutiny, and its misdeeds to international opprobrium;

Using our influence to either support or impede China joint GATT which is a high priority for them;

Forcefully presenting our concerns on human rights abuses in forums like the U.N. Commission on Human Rights, where the prospects of securing international support for condemning basic civil liberties will be greater than unilateral declarations.

Fundamentally, given the dynamic nature of international relations, we believe that it is far preferable to provide the administration with the flexibility it needs to pursue our interests without the imposition or rigid legislated conditions.

In particular, denial of MFN stat is at best a poor substitute to active engagement. Denial could well prove a counterproductive tool to

achieving our ends, that could also have very negative consequences for both nations and could seriously set back efforts to develop cooperative policies as well enter the post-cold-war era.

Currently, there is a sizable trade imbalance between our nations. To some extent that reflects unfair trade practices that we have to resolve, just as is the case with Japan and other nations. But to a very large extent this is more a reflection of shifting trends among East Asian exporters since our overall trade picture with the region has not dramatically changed.

But importantly, we are on the threshold to fully tapping the potentially immense Chinese market for American exports. Denial of MFN, and inevitable Chinese retaliation for this action, will jeopardize what is already a very sizable contribution to the American economy.

Economists estimate that the \$8 billion in goods and services we exported to China in 1992 translate into 150,000 jobs. The impact on the financially strapped aerospace industry is especially significant. In 1992, China was the only commercial aircraft customer for McDonnell-Douglas. For Boeing, China represented 17 percent of its total sales, nearly matching all its domestic sales. For the future, industry analysts put the China aerospace market at \$40 billion. Because of this high leverage, and high visibility, the Chinese have made no secret that aerospace industry will be the first to bear the burden of retaliation. But there are also sizable potential markets for a wide range of American products that will never be realized if we slip into a full fledged trade war.

Active pursuit of a balanced United States-China policy through the full range of tools available to our Nation will reduce the pressure to pursue inflexible conditions on the most drastic tool in our arsenal, extension of most-favored-nation status. As a result we will promote cooperation on issues ranging from nuclear proliferation in North Korea to a smooth transition for Hong Kong's status, rather than confrontation. Since MFN status is reviewed on an annual basis, both the Congress and administration can review this issue anew if this new approach does not demonstrate progress.

The Ways and Means Committee overwhelmingly affirmed this judgment in its 35-to-2 vote to report this resolution adversely. I urge my colleagues to follow their lead and oppose the resolution.

Mr. NADLER. Mr. Speaker, I rise in support of this resolution.

Rarely has this House been faced with such clear moral issue. Should we allow goods, produced by slave labor, into this country to compete against goods produced by our constituents? Should the trade policies of the United States subsidize the brutal and dictatorial regime in Beijing?

The evidence is clear and undisputed. No one disputes that the continuing use of prison labor, the continued tyranny, the reckless and irresponsible proliferation of nuclear arms, and the cruel and illegal occupation of Tibet.

The only question seems to be, whether revoking most-favored-nation status now is the best way to bring about improvements in human rights in China?

Clearly, much has changed in the last year. We have an administration that is willing to

make a genuine commitment to human rights, and a Government that is speaking with one voice to the tyrants in Beijing. For that reason, many of our colleagues who care deeply about the situation in China and Tibet, and who have fought courageously for human rights, have concluded that it would be better to continue China's MFN status while conditioning continuation of that status on the achievement by the Chinese Government of clearly defined goals within a specified period of time.

If I believed that the Chinese Government would respond positively to such tactics, I would be opposing this resolution too. But too much has happened, and too much is still happening to make me believe that an extension of MFN will have any effect.

Does anyone in this Chamber really believe that the Chinese Government does not know what the rest of the world expects of it? Can any of us believe that another extension and another threat will be taken seriously?

Even now, as we debate, the oppression continues. Arrests are being made. The Tibetan people are still being overwhelmed by massive population transfers of Chinese citizens into their homeland. Weapons of mass destruction are being shipped to Pakistan, Syria, and Iran to be pointed at our allies and our citizens abroad. The United States is running a \$20 billion trade deficit with China because prison labor undercuts the wages of free people.

What will it take? How many more will have to die? How many weapons of mass destruction will have to be aimed at our allies? How many more of our constituents will have to lose their jobs before this Congress understands that the Chinese Government is not getting the message the old way?

It's time to send them a message that will be heard. I urge the adoption of the resolution.

It's time to send them a message that will be heard. I urge the adoption of the resolution.

Mr. FRANKS of Connecticut. Mr. Speaker, I rise today in support of House Joint Resolution 208, which disapproves the extension of MFN [most-favored-nation] status to the People's Republic of China. I have strong reservations about granting MFN status to any nation that exhibits the current practices of the Chinese Government.

The People's Republic of China has an abominable record on nuclear proliferation, human rights, and trade practices. I believe we must see a dramatic improvement in these areas before China is granted MFN status.

Despite opposition from the West, China has supplied countries like Iran and Syria with ballistic missiles and other critical defense technologies. While China has agreed to adhere to the Nuclear Non-Proliferation Treaty, they must also demonstrate that they will not provide hostile nations of the world with deadly missile, nuclear, and chemical technologies.

China has consistently disregarded internationally accepted standards of human rights since the Tiananmen Square massacre in June 1989. The hardline Communist government continues to imprison democracy activists and religious leaders. Additionally, recent evidence indicates that products manufactured in Chinese prison-labor camps are being exported to the United States.

In the past, open trade with China has not been successful in encouraging the Chinese hardliners to move away from both their heinous mistreatment of Chinese people and their unwise foreign policy. China's record of coerced abortions and forced sterilization is also of great concern to me. I believe significant progress must be made in these areas before we can welcome China into the family of free-trading nations by granting MFN status. I hope that these problems can be worked out so that in the future I can support MFN for China.

In closing, I urge my colleagues to send a message to the Chinese Government by supporting the resolution before us today.

The SPEAKER pro tempore (Mr. MURTHA). Pursuant to the order of the House of Thursday, July 15, 1993 and sections 152 and 153 of the Trade Act of 1974, the previous question is ordered.

The question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on passage of the joint resolution.

The question was taken; and the Speaker pro tempore announced that the yeas appeared to have it.

Mr. SOLOMON. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 105, nays 318, not voting 11, as follows:

[Roll No. 347]

YEAS—105

Andrews (ME)	Gilchrist	Nadler
Applegate	Gilman	Neal (NC)
Baker (CA)	Goodling	Pallone
Ballenger	Greenwood	Porter
Barlow	Gunderson	Quillen
Barton	Gutierrez	Rahall
Bentley	Hall (OH)	Ravenel
Bilbray	Hefley	Rogers
Billie	Hefner	Rohrabacher
Boehert	Hochbrueckner	Ros-Lehtinen
Browder	Holden	Royce
Brown (OH)	Horn	Sanders
Bunning	Huffington	Saxton
Burton	Hunter	Schenk
Byrne	Hyde	Sensenbrenner
Calvert	Inglis	Skeen
Coble	Kaptur	Smith (NJ)
Collins (GA)	Kasich	Smith (TX)
Conyers	Kingston	Snowe
Cooper	Klink	Solomon
Cox	Klug	Spence
Cramer	Kyl	Spratt
Deal	Lantos	Stark
DeFazio	Lewis (FL)	Stearns
Derrick	Linder	Tauzin
Diaz-Balart	Lloyd	Taylor (MS)
Doolittle	Long	Taylor (NC)
Duncan	Markey	Trafficant
Evans	McCollum	Upton
Everett	McInnis	Valentine
Fish	McMillan	Walker
Frank (MA)	Molinar	
Franks (CT)	Moran	
Gejdenson	Morella	

Walsh
Washington

Weldon
Wheat

Wolf
Young (FL)

NAYS—318

Ackerman
Allard
Andrews (NJ)
Andrews (TX)
Archer
Armey
Bacchus (FL)
Bacchus (AL)
Baesler
Baker (LA)
Barca
Barcia
Barrett (NE)
Barrett (WI)
Bartlett
Bateman
Becerra
Bellenson
Bereuter
Berman
Bevill
Bilirakis
Bishop
Blackwell
Blute
Boehner
Bonilla
Bonior
Borski
Boucher
Brewster
Brooks
Brown (CA)
Brown (FL)
Bryant
Buyer
Callahan
Camp
Canady
Cantwell
Cardin
Carr
Castle
Chapman
Clay
Clayton
Clement
Clinger
Clyburn
Coleman
Collins (IL)
Collins (MI)
Combest
Condit
Coppersmith
Costello
Coyne
Crane
Crapo
Cunningham
Danner
Darden
DeLauro
DeLay
Dellums
Deutsch
Dickey
Dicks
Dingell
Dixon
Dooley
Dreier
Dunn
Durbin
Edwards (CA)
Edwards (TX)
Emerson
Engel
English (AZ)
English (OK)
Eshoo
Ewing
Farr
Fawell
Fazio
Fields (LA)
Fields (TX)
Filner
Fingerhut
Flake
Foglietta

Ford (MI)
Ford (TN)
Fowler
Franks (NJ)
Furse
Gallegly
Gallo
Gekas
Gephardt
Geren
Gibbons
Gillmor
Gingrich
Glickman
Gonzalez
Goodlatte
Gordon
Goss
Grams
Grandy
Green
Hall (TX)
Hamburg
Hamilton
Hansen
Harman
Hastert
Hastings
Hayes
Herger
Hilliard
Hinchee
Hoagland
Hobson
Hoekstra
Hoke
Houghton
Hughes
Hutchinson
Hutto
Inhofe
Inslee
Istook
Jacobs
Jefferson
Johnson (CT)
Johnson (GA)
Johnson (SD)
Johnson, E.B.
Johnson, Sam
Johnston
Kanjorski
Kennedy
Kennelly
Kildee
Kim
King
Klecza
Klein
Knollenberg
Kolbe
Kopetski
Kreidler
Lambert
Lancaster
LaRocco
Laughlin
Lazio
Leach
Lehman
Levin
Levy
Lewis (CA)
Lewis (GA)
Lightfoot
Lipinski
Livingston
Lowey
Machtley
Maloney
Mann
Manton
Manzullo
Margolies-
Mezvinsky
Martinez
Matsui
Mazzoli
McCandless
McCloskey
McCrery

McCurdy
McDade
McDermott
McHale
McHugh
McKeon
McKinney
McNulty
Meehan
Meek
Menendez
Meyers
Mfume
Mica
Michel
Miller (CA)
Miller (FL)
Mineta
Minge
Mink
Mollohan
Montgomery
Moorhead
Murphy
Murtha
Myers
Natcher
Neal (MA)
Nussle
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Oxley
Parker
Pastor
Paxon
Payne (NJ)
Payne (VA)
Pelosi
Penny
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pickle
Pombo
Pomeroy
Portman
Poshard
Price (NC)
Pryce (OH)
Quinn
Ramstad
Rangel
Reed
Regula
Reynolds
Richardson
Roberts
Roemer
Rose
Rostenkowski
Roth
Roukema
Rowland
Roybal-Allard
Rush
Sabo
Sangmeister
Santorum
Sarpalius
Sawyer
Schaefer
Schiff
Schroeder
Schumer
Scott
Serrano
Sharp
Shaw
Shays
Shepherd
Shuster
Sisisky
Siskiy
Skaggs
Skelton
Slattery
Slaughter

Smith (IA)
Smith (MI)
Smith (OR)
Stenholm
Stokes
Strickland
Studds
Stump
Stupak
Sundquist
Sweet
Swift
Synar
Talent
Tanner
Tejeda

Thomas (CA)
Thomas (WY)
Thompson
Thornton
Thurman
Torkildsen
Torres
Torricelli
Towns
Tucker
Unsoeld
Velazquez
Vento
Visclosky
Volkmer
Vucanovich

NOT VOTING—11

Abercrombie
de la Garza
Dornan
Frost

Hancock
Henry
Hoyer
LaFalce

Moakley
Packard
Ridge

□ 1237

The Clerk announced the following pair:

On this vote:

Mr. Dornan for, with Mr. Hoyer against.

Mr. MCKEON and Mr. THOMAS of Wyoming changed their vote from "yea" to "nay."

Messrs. WELDON, COLLINS of Georgia, RAHALL, and Ms. KAPTUR changed their vote from "nay" to "yea."

So the joint resolution was not passed.

The result of the vote was announced as above recorded.

PROVIDING FOR FURTHER CONSIDERATION OF H.R. 2010, NATIONAL SERVICE TRUST ACT OF 1993

The SPEAKER pro tempore (Mr. MURTHA). The unfinished business is the question de novo on agreeing to House Resolution 217.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

RECORDED VOTE

Mr. VOLKMER. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 261, noes 164, not voting 9, as follows:

[Roll No. 348]

AYES—261

Ackerman
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Applegate
Bacchus (FL)
Baesler
Barca
Barcia
Barlow
Barrett (WI)
Becerra
Bellenson
Berman
Bevill
Bilbray
Bishop
Blackwell

Blute
Bonior
Borski
Boucher
Brewster
Brooks
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Byrne
Cantwell
Cardin
Carr
Chapman
Clay
Clayton

Clement
Clyburn
Coleman
Collins (IL)
Collins (MI)
Condit
Conyers
Cooper
Coppersmith
Costello
Coyne
Cramer
Danner
Darden
de la Garza
Deal
DeFazio
DeLauro

Dellums
Derrick
Deutsch
Dicks
Dingell
Dixon
Dooley
Durbin
Edwards (CA)
Edwards (TX)
Engel
English (AZ)
English (OK)
Eshoo
Evans
Farr
Fazio
Fields (LA)
Filner
Fingerhut
Fish
Flake
Foglietta
Ford (MI)
Ford (TN)
Frank (MA)
Furse
Gejdenson
Gephardt
Geren
Gibbons
Gilman
Glickman
Gonzalez
Gordon
Green
Gunderson
Gutierrez
Hall (OH)
Hamburg
Hamilton
Harman
Hastings
Hayes
Hefner
Hilliard
Hinchee
Hoagland
Hochbrueckner
Holden
Hoyer
Hughes
Hutto
Inslee
Jacobs
Jefferson
Johnson (GA)
Johnson (SD)
Johnson, E.B.
Johnston
Kanjorski
Kennedy
Kennelly
Kildee
Klecza
Klein
Klink
Kopetski
Kreidler
LaFalce

Lambert
Lancaster
Lantos
LaRocco
Laughlin
Lazio
Lehman
Levin
Lewis (GA)
Lipinski
Lloyd
Long
Lowey
Machtley
Maloney
Mann
Manton
Margolies
Mezvinsky
Markey
Martinez
Matsui
Mazzoli
McCloskey
McCurdy
McDermott
McHale
McKinney
McNulty
Meehan
Meek
Menendez
Meyers
Mfume
Miller (CA)
Mineta
Minge
Mink
Mollohan
Montgomery
Moran
Morella
Murphy
Murtha
Nadler
Natcher
Neal (MA)
Neal (NC)
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Pallone
Parker
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Peterson (MN)
Pickett
Pickle
Pomeroy
Porter
Poshard
Price (NC)
Rahall

NOES—164

Allard
Archer
Armey
Bacchus (AL)
Baker (CA)
Baker (LA)
Ballenger
Barrett (NE)
Bartlett
Barton
Bateman
Bentley
Bereuter
Bilirakis
Billey
Boehlert
Boehner
Bonilla
Bunning
Burton
Buyer
Callahan
Calvert

Camp
Canady
Castle
Clinger
Coble
Collins (GA)
Combest
Cox
Crane
Crapo
Cunningham
Diaz-Balart
Dickey
Doolittle
Dreier
Duncan
Dunn
Emerson
Everett
Fawell
Fields (TX)
Fowler

Franks (CT)
Franks (NJ)
Gallegly
Gallo
Gekas
Gilchrest
Gillmor
Gingrich
Goodlatte
Goodling
Grams
Grandy
Greenwood
Hall (TX)
Hancock
Hansen
Hastert
Hefley
Herger
Hobson
Hoekstra
Hoke

Horn	McHugh	Schaefer
Houghton	McInnis	Schiff
Huffington	McKeon	Sensenbrenner
Hunter	McMillan	Shaw
Hutchinson	Mica	Shuster
Hyde	Michel	Skeen
Inglis	Miller (FL)	Smith (MI)
Inhofe	Molinar	Smith (NJ)
Istook	Moorhead	Smith (OR)
Johnson (CT)	Myers	Smith (TX)
Johnson, Sam	Nussle	Snowe
Kaptur	Oxley	Solomon
Kasich	Paxon	Spence
Kim	Petri	Stearns
King	Pombo	Stump
Kingston	Portman	Sundquist
Klug	Pryce (OH)	Talent
Knollenberg	Quillen	Taylor (MS)
Kolbe	Quinn	Taylor (NC)
Kyl	Ramstad	Thomas (CA)
Leach	Ravenel	Thomas (WY)
Levy	Regula	Upton
Lewis (CA)	Ridge	Vucanovich
Lewis (FL)	Roberts	Walker
Lightfoot	Rogers	Walsh
Linder	Rohrabacher	Weldon
Livingston	Ros-Lehtinen	Wolf
Manzulio	Roukema	Young (AK)
McCandless	Royce	Young (FL)
McCollum	Santor	Zeliff
McCrery	Saxton	Zimmer
McDade		

NOT VOTING—9

Abercrombie	Frost	Packard
DeLay	Henry	Washington
Dornan	Moakley	Wilson

□ 1256

The Clerk announced the following pairs:

On this vote:

Mr. Moakley for, with Mr. DeLay against.
Mr. Abercrombie for, with Mr. Dornan against.

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. SOLOMON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the joint resolution, House Joint Resolution 208, previously debated.

The SPEAKER pro tempore (Mr. KANJORSKI). Is there objection to the request of the gentleman from New York?

There was no objection.

NATIONAL SERVICE TRUST ACT OF 1993

The SPEAKER pro tempore. Pursuant to House Resolution 217 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 2010.

□ 1208

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 2010) to amend the National and Community Service Act of 1990 to establish

a Corporation for National Service, enhance opportunities for national service, and provide national service educational awards to persons participating in such service, and for other purposes with Mr. FIELDS of Louisiana in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose on Tuesday, July 13, 1993, all time for general debate had expired.

Pursuant to House Resolution 217, no further general debate is in order.

Pursuant to the rule, the committee amendment in the nature of a substitute printed in the bill is considered as an original bill for the purpose of amendment and is considered as read.

The text of the committee amendment in the nature of a substitute is as follows:

H.R. 2010

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "National Service Trust Act of 1993".

(b) TABLE OF CONTENTS.—The table of contents is as follows:

Sec. 1. Short title; table of contents.

Sec. 2. Findings and purpose.

TITLE I—PROGRAMS AND RELATED PROVISIONS

Subtitle A—Programs

Sec. 101. Federal investment in support of national service.

Sec. 102. National Service Trust and provision of national service educational awards.

Sec. 103. School-based and community-based service-learning programs.

Sec. 104. Quality and innovation activities.

Sec. 105. Public Lands Corps.

Sec. 106. Urban Youth Corps.

Subtitle B—Related Provisions

Sec. 111. Definitions.

Sec. 112. Authority to make State grants.

Sec. 113. Family and medical leave.

Sec. 114. Reports.

Sec. 115. Nondiscrimination.

Sec. 116. Notice, hearing, and grievance procedures.

Sec. 117. Nondisplacement.

Sec. 118. Evaluation.

Sec. 119. Engagement of participants.

Sec. 120. Contingent extension.

Sec. 121. Repeals.

TITLE II—ORGANIZATION

Sec. 201. State Commissions on National Service.

Sec. 202. Interim authorities of the Corporation for National Service and ACTION Agency.

Sec. 203. Final authorities of the Corporation for National Service.

TITLE III—REAUTHORIZATION

Subtitle A—National and Community Service Act of 1990

Sec. 301. Authorization of appropriations.

Subtitle B—Domestic Volunteer Service Act of 1973

Sec. 311. Short title; references.

CHAPTER 1—VISTA AND OTHER ANTI-POVERTY PROGRAMS

Sec. 321. Purpose of the VISTA program.

Sec. 321A. Assistant Director for VISTA Program.

Sec. 322. Selection and assignment of VISTA volunteers.

Sec. 323. Terms and periods of service.

Sec. 324. Support for VISTA volunteers.

Sec. 325. Participation of younger and older persons.

Sec. 326. Literacy activities.

Sec. 327. Applications for assistance.

Sec. 328. Repeal of authority for student community service programs.

Sec. 329. University year for VISTA.

Sec. 330. Authority to establish and operate special volunteer and demonstration programs.

Sec. 331. Technical and financial assistance.

Sec. 332. Elimination of separate authority for drug abuse programs.

CHAPTER 2—NATIONAL SENIOR VOLUNTEER CORPS

Sec. 341. National Senior Volunteer Corps.

Sec. 342. The Retired and Senior Volunteer Program.

Sec. 343. Operation of the Retired and Senior Volunteer Program.

Sec. 344. Services under the Foster Grandparent Program.

Sec. 345. Stipends for low-income volunteers.

Sec. 346. Conditions of grants and contracts.

Sec. 347. Agreements with other Federal agencies.

Sec. 348. Minority group participation.

Sec. 349. Programs of national significance.

Sec. 350. Demonstration programs.

CHAPTER 3—ADMINISTRATION

Sec. 361. Purpose of agency.

Sec. 362. Authority of the Director.

Sec. 362A. Political activities.

Sec. 363. Compensation for volunteers.

Sec. 364. Repeal of report.

Sec. 365. Application of Federal law.

Sec. 366. Nondiscrimination provisions.

Sec. 367. Elimination of separate requirements for setting regulations.

Sec. 368. Clarification of role of Inspector General.

Sec. 369. Copyright protection.

Sec. 370. Deposit requirement credit for service as a volunteer.

CHAPTER 4—AUTHORIZATION OF APPROPRIATIONS AND OTHER AMENDMENTS

Sec. 381. Authorization of appropriations for title I.

Sec. 382. Authorization of appropriations for title II.

Sec. 383. Authorization of appropriations for title IV.

Sec. 384. Conforming amendments; compensation for VISTA FECA claimants.

Sec. 385. Repeal of authority.

CHAPTER 5—GENERAL PROVISIONS

Sec. 391. Technical and conforming amendments.

Sec. 392. Effective date.

TITLE IV—TECHNICAL AND CONFORMING AMENDMENTS

Sec. 401. Definition of Director.

Sec. 402. References to ACTION and the ACTION Agency.

Sec. 403. Definitions.

Sec. 404. References to the Commission on National and Community Service.

Sec. 405. References to Directors of the Commission on National and Community Service.

Sec. 406. Effective date.

SEC. 2. FINDINGS AND PURPOSE.

(a) IN GENERAL.—Section 2 of the National and Community Service Act of 1990 (42 U.S.C. 12501) is amended to read as follows:

"SEC. 2. FINDINGS AND PURPOSE.

"(a) FINDINGS.—The Congress finds the following:

"(1) Throughout the United States, there are pressing unmet human, educational, environmental, and public safety needs.

"(2) Americans desire to affirm common responsibilities and shared values that transcend race, religion, disability, or region.

"(3) The rising costs of post-secondary education are putting higher education out of reach for an increasing number of citizens.

"(4) Americans of all ages can improve their communities and become better citizens through service to the United States.

"(5) Nonprofit organizations, local governments, States, and the Federal Government are already supporting a wide variety of national service programs that deliver needed services in a cost-effective manner.

"(6) Residents of low-income communities, especially youths and young adults in these communities, can be empowered through their service to help provide future community leadership.

"(b) PURPOSES.—It is the purpose of this Act to—

"(1) meet the unmet human, educational, environmental, and public safety needs of the United States, without displacing existing workers;

"(2) renew the ethic of civic responsibility and the spirit of community throughout the United States;

"(3) expand educational opportunity by rewarding individuals who participate in national service with an increased ability to pursue higher education or job training;

"(4) encourage citizens of the United States, regardless of age, income, or disability, to engage in full-time or part-time national service;

"(5) reinvent government to eliminate duplication, support locally established initiatives, require measurable goals for performance, and offer flexibility in meeting those goals;

"(6) expand and strengthen existing service programs with demonstrated experience in providing structured service opportunities with visible benefits to the participants and community;

"(7) build on the existing organizational service infrastructure of Federal, State, and local programs and agencies to expand full-time and part-time service opportunities for all citizens; and

"(8) provide tangible benefits to the communities in which national service is performed."

(b) TABLE OF CONTENTS.—Section 1(b) of the National and Community Service Act of 1990 (Public Law 101-610; 104 Stat. 3127) is amended by striking the item relating to section 2 and inserting the following new item:

"Sec. 2. Findings and purpose."

TITLE I—PROGRAMS AND RELATED PROVISIONS

Subtitle A—Programs

SEC. 101. FEDERAL INVESTMENT IN SUPPORT OF NATIONAL SERVICE.

(a) TRANSFER OF EXISTING SUBTITLE.—Title I of the National and Community Service Act of 1990 (42 U.S.C. 12501 et seq.) is amended—

(1) by redesignating subtitle C (42 U.S.C. 12653 et seq.) as subtitle I;

(2) by inserting subtitle I (as redesignated by paragraph (1) of this subsection) after subtitle H; and

(3) by redesignating sections 120 through 136 as sections 199 through 190, respectively.

(b) ASSISTANCE PROGRAM AUTHORIZED.—Title I of the National and Community Service Act of 1990 (42 U.S.C. 12501 et seq.) is amended by inserting after subtitle B the following new subtitle:

"Subtitle C—National Service Trust Program "PART I—INVESTMENT IN NATIONAL SERVICE

"SEC. 121. AUTHORITY TO PROVIDE ASSISTANCE AND APPROVED NATIONAL SERVICE POSITIONS.

"(a) PROVISION OF ASSISTANCE.—The Corporation for National Service may make grants to States, subdivisions of States, Indian tribes, public and private nonprofit organizations, and institutions of higher education for the purpose of assisting the recipients of the grants—

"(1) to carry out full- or part-time national service programs, including summer programs, described in section 122(a); and

"(2) to make grants in support of other national service programs described in section 122(a) that are carried out by other entities.

"(b) AGREEMENTS WITH FEDERAL AGENCIES.—The Corporation may enter into a contract or cooperative agreement with another Federal agency to support a national service program carried out by the agency. The support provided by the Corporation pursuant to the contract or cooperative agreement may include the transfer to the Federal agency of funds available to the Corporation under this subtitle. A Federal agency receiving assistance under this subsection shall not be required to satisfy the matching funds requirements specified in subsection (e). However, the supplementation requirements specified in section 173 shall apply with respect to the Federal national service programs supported with such assistance. A Federal agency receiving assistance under this subsection shall consult with the State Commissions for those States in which projects will be conducted in order to ensure that the projects do not duplicate existing State or local programs.

"(c) PROVISION OF APPROVED NATIONAL SERVICE POSITIONS.—As part of the provision of assistance under subsections (a) and (b), the Corporation shall—

"(1) approve the provision of national service educational awards described in subtitle D for the participants who serve in national service programs carried out using such assistance; and

"(2) deposit in the National Service Trust established in section 145(a) an amount equal to the product of—

"(A) the value of a national service educational award under section 147; and

"(B) the total number of approved national service positions to be provided.

"(d) FIVE PERCENT LIMITATION ON ADMINISTRATIVE COSTS.—

"(1) LIMITATION.—Not more than 5 percent of the amount of assistance provided to the original recipient of a grant or transfer of assistance under subsection (a) or (b) for a fiscal year may be used to pay for administrative costs incurred by—

"(A) the recipient of the assistance; and

"(B) national service programs carried out or supported with the assistance.

"(2) RULES ON USE.—The Corporation may by rule prescribe the manner and extent to which—

"(A) assistance provided under subsection (a) or (b) may be used to cover administrative costs; and

"(B) that portion of the assistance available to cover administrative costs should be distributed between—

"(i) the original recipient of the grant or transfer of assistance under such subsection; and

"(ii) national service programs carried out or supported with the assistance.

"(e) MATCHING FUNDS REQUIREMENTS.—

"(1) REQUIREMENTS.—Except as provided in section 140, the Federal share of the cost of carrying out a national service program that receives the assistance under subsection (a), whether the assistance is provided directly or as

a subgrant from the original recipient of the assistance, may not exceed 75 percent of such cost.

"(2) CALCULATION.—In providing for the remaining share of the cost of carrying out a national service program, the program—

"(A) shall provide for such share through a payment in cash or in kind, fairly evaluated, including facilities, equipment, or services; and

"(B) may provide for such share through State sources, local sources, or other Federal sources (other than the use of funds made available under the national service laws).

"(3) WAIVER.—The Corporation may waive in whole or in part the requirements of paragraph (1) with respect to a national service program in any fiscal year if the Corporation determines that such a waiver would be equitable due to a lack of available financial resources at the local level.

"SEC. 122. TYPES OF NATIONAL SERVICE PROGRAMS ELIGIBLE FOR PROGRAM ASSISTANCE.

"(a) ELIGIBLE NATIONAL SERVICE PROGRAMS.—The recipient of a grant under section 121(a) and each Federal agency receiving assistance under section 121(b) shall use the assistance, directly or through subgrants to other entities, to carry out full- or part-time national service programs, including summer programs, that address unmet human, educational, environmental, or public safety needs. Subject to subsection (b)(1), these national service programs may include the following types of national service programs:

"(1) A community corps program that meets unmet human, educational, environmental, or public safety needs and promotes greater community unity through the use of organized teams of participants of varied social and economic backgrounds, skill levels, physical and developmental capabilities, ages, ethnic backgrounds, or genders.

"(2) A full-time, year-round youth corps program or full-time summer youth corps program, such as a conservation corps or youth service corps (including the Public Lands Corps established under the Public Lands Corps Act of 1993, the Urban Youth Corps established under section 106 of the National Service Trust Act of 1993, and other conservation corps or youth service corps that performs service on Federal or other public lands or on Indian lands or Hawaiian home lands), that—

"(A) undertakes meaningful service projects with visible public benefits, including natural resource, urban renovation, or human services projects;

"(B) includes as participants youths and young adults between the ages of 16 and 25, inclusive, including out-of-school youths and other disadvantaged youths (such as youths with limited basic skills, youths in foster care who are becoming too old for foster care, youths of limited English proficiency, and homeless youths, and youths with disabilities) who are between those ages; and

"(C) provides those participants who are youths and young adults with—

"(i) crew-based, highly structured, and adult-supervised work experience, life skills, education, career guidance and counseling, employment training, and support services; and

"(ii) the opportunity to develop citizenship values and skills through service to their community and the United States.

"(3) A program that provides specialized training to individuals in service-learning and places the individuals after such training in positions, including positions as service-learning coordinators, to facilitate service-learning in programs eligible for funding under part I subtitle B.

"(4) A service program that is targeted at specific unmet human, educational, environmental, or public safety needs and that—

"(A) recruits individuals with special skills or provides specialized preservice training to enable participants to be placed individually or in teams in positions in which the participants can meet such unmet needs; and

"(B) if consistent with the purposes of the program, brings participants together for additional training and other activities designed to foster civic responsibility, increase the skills of participants, and improve the quality of the service provided.

"(5) An individualized placement program that includes regular group activities, such as leadership training and special service projects.

"(6) A campus-based program that is designed to provide substantial service in a community during the school term and during summer or other vacation periods through the use of—

"(A) students who are attending an institution of higher education, including students supported by work-study funds under part C of title IV of the Higher Education Act of 1965 (42 U.S.C. 2751 et seq.);

"(B) teams composed of such students; or

"(C) teams composed of a combination of such students and community residents.

"(7) A preprofessional training program in which students enrolled in an institution of higher education—

"(A) receive training in specified fields, which may include classes containing service-learning;

"(B) perform service related to such training outside the classroom during the school term and during summer or other vacation periods; and

"(C) agree to provide service upon graduation to meet unmet human, educational, environmental, or public safety needs related to such training.

"(8) A professional corps program that recruits, trains, and places qualified participants in positions—

"(A) as teachers, nurses, police officers, early childhood development staff, or other professionals providing service to meet educational, human, environmental, or public safety needs in communities with an inadequate number of such professionals;

"(B) that may include a salary in excess of the maximum living allowance authorized in subsection (a)(3) of section 140, as provided in subsection (c) of such section; and

"(C) that are sponsored by public or private nonprofit employers who agree to pay 100 percent of the salaries and benefits (other than any national service educational award under subtitle D) of the participants.

"(9) A program in which economically disadvantaged individuals (including individuals with disabilities) who are between the ages of 16 and 25 years of age, inclusive, are provided with opportunities to perform service that, while enabling such individuals to obtain the education and employment skills necessary to achieve economic self-sufficiency, will help their communities meet—

"(A) the housing needs of low-income families and the homeless; and

"(B) the need for community facilities in low-income areas.

"(10) A national service entrepreneur program that identifies, recruits, and trains gifted young adults of all backgrounds and assists them in designing solutions to community problems.

"(11) An intergenerational program that combines students, out-of-school youths, and older adults as participants to provide needed community services, including an intergenerational component for other national service programs described in this subsection.

"(12) A program that is administered by a combination of nonprofit organizations located in a low-income area, provides a broad range of services to residents of such area, is governed by

a board composed in significant part of low-income individuals, and is intended to provide opportunities for individuals or teams of individuals to engage in community projects in such area that meet unaddressed community and individual needs, including projects that would—

"(A) meet the needs of low-income children and youth aged 18 and younger, such as providing after-school 'safe-places' with opportunities for learning and recreation; or

"(B) be directed to other important unaddressed needs in such area.

"(13) A community service program designed to meet the needs of rural communities, using teams or individual placements to address the development needs of rural communities and to combat rural poverty, including health care, education, and job training.

"(14) Such other national service programs addressing unmet human, educational, environmental, or public safety needs as the Corporation may designate.

"(b) QUALIFICATION CRITERIA TO DETERMINE ELIGIBILITY.—

"(1) ESTABLISHMENT BY CORPORATION.—The Corporation shall establish qualification criteria for different types of national service programs for the purpose of determining whether a particular national service program should be considered to be a national service program eligible to receive assistance or approved national service positions under this subtitle.

"(2) CONSULTATION.—In establishing qualification criteria under paragraph (1), the Corporation shall consult with organizations and individuals with extensive experience in developing and administering effective national service programs or regarding the delivery of human, educational, environmental, or public safety services to communities or persons.

"(3) APPLICATION TO SUBGRANTS.—The qualification criteria established by the Corporation under paragraph (1) shall also be used by each recipient of assistance under section 121(a) that uses any portion of the assistance to conduct a grant program to support other national service programs.

"(4) ENCOURAGEMENT OF INTERGENERATIONAL COMPONENTS OF PROGRAMS.—The Corporation shall encourage national service programs eligible to receive assistance or approved national service positions under this subtitle to establish, if consistent with the purposes of the program, an intergenerational component of the program that combines students, out-of-school youths, and older adults as participants to provide services to address unmet human, educational, environmental, or public safety needs.

"(c) NATIONAL SERVICE PRIORITIES.—

"(1) ESTABLISHMENT BY CORPORATION.—In order to concentrate national efforts on meeting certain unmet human, educational, environmental, or public safety needs and to achieve the other purposes of this Act, the Corporation may establish, and periodically alter, priorities regarding the types of national service programs to be assisted under section 121 and the purposes for which such assistance may be used.

"(2) NOTICE TO APPLICANTS.—The Corporation shall provide advance notice to potential applicants of any national service priorities to be in effect under this subsection for a fiscal year. The notice shall specifically include—

"(A) a description of any alteration made in the priorities since the previous notice; and

"(B) a description of the national service programs that are designated by the Corporation under section 133(d)(2) as eligible for priority consideration in the next competitive distribution of assistance under section 121(a).

"(3) APPLICATION TO SUBGRANTS.—Any national service priorities established by the Corporation under this subsection shall also be used by each recipient of funds under section 121(a)

that uses any portion of the assistance to conduct a grant program to support other national service programs.

"SEC. 123. TYPES OF NATIONAL SERVICE POSITIONS ELIGIBLE FOR APPROVAL FOR NATIONAL SERVICE EDUCATIONAL AWARDS.

"The Corporation may approve of any of the following service positions as an approved national service position that includes the national service educational award described in subtitle D as one of the benefits to be provided for successful service in the position:

"(1) A position for a participant in a national service program described in section 122(a) that receives assistance under subsection (a) or (b) of section 121.

"(2) A position for a participant in a program that—

"(A) is carried out by a State, a subdivision of a State, an Indian tribe, a public or private nonprofit organization, an institution of higher education, or a Federal agency; and

"(B) would be eligible to receive assistance under section 121(a), based on criteria established by the Corporation, but has not applied for such assistance.

"(3) A position involving service as a VISTA volunteer under title I of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4951 et seq.).

"(4) A position facilitating service-learning in a program described in section 122(a)(3) that is eligible for assistance under part I of subtitle B.

"(5) A position for a participant in the Civilian Community Corps under subtitle E.

"(6) A position involving service as a crew leader in a youth corps program or a similar position supporting a national service program that receives an approved national service position.

"(7) Such other national service positions as the Corporation considers to be appropriate.

"SEC. 124. TYPES OF PROGRAM ASSISTANCE.

"(a) PLANNING ASSISTANCE.—The Corporation may provide assistance under section 121 to a qualified applicant that submits an application under section 130 for the planning of a national service program. Assistance provided in accordance with this subsection may cover a period of not more than 1 year.

"(b) OPERATIONAL ASSISTANCE.—The Corporation may provide assistance under section 121 to a qualified applicant that submits an application under section 130 for the establishment, operation, or expansion of a national service program. Assistance provided in accordance with this subsection may cover a period of not more than 3 years, but may be renewed by the Corporation upon consideration of a new application under section 130.

"(c) REPLICATION ASSISTANCE.—The Corporation may provide assistance under section 121 to a qualified applicant that submits an application under section 130 for the expansion of a proven national service program to another geographical location. Assistance provided in accordance with this subsection may cover a period of not more than 3 years, but may be renewed by the Corporation upon consideration of a new application under section 130.

"(d) APPLICATION TO SUBGRANTS.—The requirements of this section shall apply to any State or other applicant receiving assistance under section 121 that proposes to conduct a grant program using the assistance to support other national service programs.

"SEC. 125. TRAINING AND TECHNICAL ASSISTANCE.

"(a) TRAINING PROGRAMS.—The Corporation may conduct, directly or by grant or contract, appropriate training programs regarding national service in order to—

"(1) improve the ability of national service programs assisted under section 121 to meet

human, educational, environmental, or public safety needs in communities—

"(A) where services are needed most; and

"(B) where programs do not currently exist or are currently too limited to meet community needs;

"(2) promote leadership development in such programs;

"(3) improve the instructional and programmatic quality of such programs to build an ethic of civic responsibility;

"(4) develop the management and budgetary skills of program operators; and

"(5) provide for or improve the training provided to the participants in such programs.

"(b) **TECHNICAL ASSISTANCE.**—The Corporation shall make appropriate technical assistance available to States, subdivisions of States, Federal agencies, Indian tribes, public and private nonprofit organizations, and institutions of higher education that desire—

"(1) to develop national service programs; or

"(2) to apply for assistance under such section or under a grant program conducted using assistance provided under such section.

"SEC. 126. OTHER SPECIAL ASSISTANCE.

"(a) **SUPPORT FOR STATE COMMISSIONS.**—

"(1) **ASSISTANCE AUTHORIZED.**—Of the funds appropriated to carry out this subtitle in each fiscal year, not to exceed \$17,500,000 shall be available to the Corporation to make assistance available to assist a State to establish or operate the State Commission on National Service required to be established by the State under section 178.

"(2) **AMOUNT OF ASSISTANCE.**—Except as provided in paragraph (3), the amount of assistance that may be provided to a State Commission under this subsection, together with other Federal funds available to establish or operate the State Commission, may not exceed—

"(A) 85 percent of the total cost to establish or operate the State Commission for the first year for which the State Commission receives assistance under this subsection; and

"(B) such smaller percentage of such cost as the Corporation may establish for the second, third, and fourth years of such assistance in order to ensure that the Federal share does not exceed 50 percent of such costs for the fifth year, and any subsequent year, for which the State Commission receives assistance under this subsection.

"(3) **MAXIMUM AMOUNT OF ASSISTANCE.**—The total amount of assistance that may be provided to a State Commission under this subsection for a year may not exceed \$500,000.

"(b) **DISASTER SERVICE.**—The Corporation may undertake activities to involve youth corps programs described in section 122(a)(2) and other programs that receive assistance under the national service laws in relief efforts in response to an emergency or major disaster declared by the President under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.).

"(c) **CHALLENGE GRANTS FOR NATIONAL SERVICE PROGRAMS.**—

"(1) **ASSISTANCE AUTHORIZED.**—The Corporation may make challenge grants under this subsection to a national service program that receives assistance under section 121. The Corporation shall develop criteria for the selection of challenge grant recipients so as to make the grants widely available to a variety of high-quality national service programs with demonstrated experience in providing service opportunities with visible benefits to the participants and to the community served.

"(2) **AMOUNT OF ASSISTANCE.**—A challenge grant under this subsection may provide not more than \$1 of assistance under this subsection for each \$1 in cash raised by the national service program from private sources in excess of

amounts required to be provided by the program to satisfy matching funds requirements under section 121(e). The Corporation shall establish a ceiling on the amount of assistance that may be provided to a national service program under this subsection.

"PART II—APPLICATION AND APPROVAL PROCESS

"SEC. 129. PROVISION OF ASSISTANCE AND APPROVED NATIONAL SERVICE POSITIONS BY COMPETITIVE AND OTHER MEANS.

"(a) **ALLOTMENTS OF ASSISTANCE AND APPROVED POSITIONS TO STATES AND INDIAN TRIBES.**—

"(1) **33 1/3 PERCENT ALLOTMENT OF ASSISTANCE TO CERTAIN STATES.**—Of the funds allocated by the Corporation for provision of assistance under subsections (a) and (b) of section 121 for a fiscal year, the Corporation shall make a grant under section 121(a) (and a corresponding allotment of approved national service positions) to each of the several States, the District of Columbia, and the Commonwealth of Puerto Rico that has an application approved by the Corporation under section 133. The amount allotted as a grant to each such State under this paragraph for a fiscal year shall be equal to the amount that bears the same ratio to 33 1/3 percent of the allocated funds for that fiscal year as the population of the State bears to the total population of the several States, the District of Columbia, and the Commonwealth of Puerto Rico.

"(2) **ONE PERCENT ALLOTMENT FOR CERTAIN TERRITORIES AND POSSESSIONS.**—Of the funds allocated by the Corporation for provision of assistance under subsections (a) and (b) of section 121 for a fiscal year, the Corporation shall reserve 1 percent of the allocated funds for grants under section 121(a) to the Virgin Islands of the United States, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands upon approval of an application by the Corporation under section 133. Palau shall also be eligible for a grant under this paragraph from the allotment until such time as the Compact of Free Association with Palau is ratified. The amount allotted as a grant to each such territory or possession under this paragraph for a fiscal year shall be equal to the amount that bears the same ratio to 1 percent of the allocated funds for that fiscal year as the population of the territory or possession bears to the total population of such territories and possessions.

"(3) **ONE PERCENT ALLOTMENT FOR INDIAN TRIBES.**—Of the funds allocated by the Corporation for provision of assistance under subsections (a) and (b) of section 121 for a fiscal year, the Corporation shall reserve 1 percent of the allocated funds for grants under section 121(a) to Indian tribes, to be allotted by the Corporation on a competitive basis in accordance with their respective needs.

"(4) **EFFECT OF FAILURE TO APPLY.**—If a State or Indian tribe fails to apply for, or fails to give notice to the Corporation of its intent to apply for, an allotment under this subsection, the Corporation shall use the amount that would have been allotted under this subsection to the State or Indian tribe—

"(A) to make grants (and provide approved national service positions in connection with such grants) to other eligible entities under section 121 that propose to carry out national service programs in the State or on behalf of the Indian tribe; and

"(B) after making grants under paragraph (1), to make a reallocation to other States and Indian tribes with approved applications under section 130.

"(b) **RESERVATION OF APPROVED POSITIONS.**—The Corporation shall ensure that each individual selected during a fiscal year for assignment as a VISTA volunteer under title I of the Do-

mestic Volunteer Service Act of 1973 (42 U.S.C. 4951 et seq.) or as a participant in the Civilian Community Corps Demonstration Program under subtitle E shall receive the national service educational award described in subtitle D if the individual satisfies the eligibility requirements for the award. Funds for approved national service positions required by this paragraph for a fiscal year shall be deducted from the total funding for approved national service positions to be available for distribution under subsections (a) and (d) for that fiscal year.

"(c) **RESERVATION FOR SPECIAL ASSISTANCE.**—Of the funds appropriated under section 501(a)(2), and subject to the limitation in that section, the Corporation may reserve such amount as the Corporation considers to be appropriate for the purpose of making assistance available under sections 125 and 126. However, the Corporation may not reserve more than \$10,000,000 for a fiscal year for challenge grants under section 126(c).

"(d) **COMPETITIVE DISTRIBUTION OF REMAINING FUNDS AND APPROVED POSITIONS.**—

"(1) **STATE COMPETITION.**—Of the funds allocated by the Corporation for provision of assistance under subsections (a) and (b) of section 121 for a fiscal year, the Corporation shall use not less than 33 1/3 percent of the allocated funds to make grants to States on a competitive basis under section 121(a).

"(2) **FEDERAL AGENCIES AND OTHER APPLICANTS.**—The Corporation shall distribute on a competitive basis to subdivisions of States, Indian tribes, public and private nonprofit organizations (including labor organizations), institutions of higher education, and Federal agencies the remainder of the funds allocated by the Corporation for provision of assistance under section 121 for a fiscal year, after operation of paragraph (1) and subsections (a) and (c). However, the Corporation may not provide more than 1/5 of the funds available for competitive distribution under this paragraph for a fiscal year to Federal agencies under section 121(b).

"(3) **LIMITATIONS.**—The Corporation may limit the categories of eligible applicants for assistance under paragraph (2) consistent with the priorities established by the Corporation under section 133(d)(2).

"(e) **APPLICATION REQUIRED.**—The allotment of assistance and approved national service positions to a State or Indian tribe under subsection (a), and the competitive distribution of assistance and approved national service positions under subsection (d), shall be made by the Corporation only pursuant to an application submitted by a State or other applicant under section 130 and approved by the Corporation under section 133.

"(f) **DISTRIBUTION OF APPROVED POSITIONS SUBJECT TO AVAILABLE FUNDS.**—The Corporation may not distribute approved national service positions under this section for a fiscal year in excess of the number of such positions for which the Corporation has sufficient available funds in the National Service Trust for that fiscal year to satisfy the maximum possible obligations to be incurred by the United States to provide the national service educational award corresponding to service in these positions.

"(g) **SPONSORSHIP OF APPROVED NATIONAL SERVICE POSITIONS.**—

"(1) **SPONSORSHIP AUTHORIZED.**—The Corporation may enter into agreements with persons or entities who offer to sponsor national service positions for which the person or entity will be responsible for supplying the funds necessary to provide a national service educational award. The distribution of these approved national service positions shall be made pursuant to the agreement, and the creation of these positions shall not be taken into consideration in determining the number of approved national service

positions to be available for distribution under this section.

"(2) DEPOSIT OF CONTRIBUTION.—Funds provided pursuant to an agreement under paragraph (1) and any other funds contributed to the Corporation to support the activities of the Corporation under the national service laws shall be deposited in the National Service Trust established in section 145 until such time as the funds are needed.

"SEC. 130. APPLICATION FOR ASSISTANCE AND APPROVED NATIONAL SERVICE POSITIONS.

"(a) TIME, MANNER, AND CONTENT OF APPLICATION.—To be eligible to receive assistance under section 121 and approved national service positions for participants who serve in the national service programs to be carried out using the assistance, a State, subdivision of a State, Indian tribe, public or private nonprofit organization, institution of higher education, or Federal agency shall prepare and submit to the Corporation an application at such time, in such manner, and containing such information as the Corporation may reasonably require.

"(b) TYPES OF APPLICATION INFORMATION.—In order to have adequate information upon which to consider an application under section 133, the Corporation may require the following information to be provided in an application submitted under subsection (a):

"(1) A description of the national service programs proposed to be carried out directly by the applicant using assistance provided under section 121.

"(2) A description of the national service programs that are selected by the applicant to receive a grant from assistance requested under section 121 and a description of the process and criteria by which the programs were selected, unless such a process conflicts with State or local law, regulation, or policy.

"(3) A description of other funding sources to be used, or sought to be used, for the national service programs referred to in paragraphs (1) and (2), and, if the application is submitted for the purpose of seeking a renewal of assistance, a description of the success of the programs in not increasing their reliance on funds provided under this Act.

"(4) A description of the extent to which the projects to be conducted using the assistance will address unmet human, educational, environmental, or public safety needs and produce a direct benefit for the community in which the projects are performed.

"(5) A description of the plan to be used to recruit participants, including youth with disabilities and economically disadvantaged youth, for the national service programs referred to in paragraphs (1) and (2).

"(6) A description of the manner in which the national service programs referred to in paragraphs (1) and (2) build on existing programs, including Federal programs.

"(7) A description of the manner in which the national service programs referred to in paragraphs (1) and (2) will involve participants—

"(A) in projects that build an ethic of civic responsibility and produce a positive change in the lives of participants through training and participation in meaningful service experiences and opportunities for reflection on such experiences; and

"(B) in leadership positions in implementing and evaluating the program.

"(8) Measurable goals for the national service programs referred to in paragraphs (1) and (2), and a strategy to achieve such goals, in terms of—

"(A) the impact to be made in meeting unmet human, educational, environmental, or public safety needs; and

"(B) the service experience to be provided to participants in the programs.

"(9) A description of the manner and extent to which the national service programs referred to in paragraphs (1) and (2) conform to the national service priorities established by the Corporation under section 122(c).

"(10) A description of the past experience of the applicant in operating a comparable program or in conducting a grant program in support of other comparable service programs.

"(11) A description of the type and number of proposed service positions in which participants will receive the national service educational award described in subtitle D and a description of the manner in which approved national service positions will be apportioned by the applicant.

"(12) A description of the manner and extent to which participants, representatives of the community served, community-based agencies with a demonstrated record of experience in providing services, and labor organizations contributed to the development of the national service programs referred to in paragraphs (1) and (2), including the identity of the individual representing each appropriate labor organization (if any) who was consulted and the nature of the consultation.

"(13) Such other information as the Corporation may reasonably require.

"(c) APPLICATION TO RECEIVE ONLY APPROVED NATIONAL SERVICE POSITIONS.—

"(1) APPLICABILITY OF SUBSECTION.—This subsection shall apply in the case of an application in which—

"(A) the applicant is not seeking assistance under subsection (a) or (b) of section 121, but requests national service educational awards for individuals serving in service positions described in section 123; or

"(B) the applicant requests national service educational awards for service positions described in section 123, but the positions are not positions in a national service program described in section 122(a) for which assistance may be provided under subsection (a) or (b) of section 121.

"(2) SPECIAL APPLICATION REQUIREMENTS.—For the applications described in paragraph (1), the Corporation shall establish special application requirements in order to determine—

"(A) whether the service positions meet unmet human, educational, environmental, or public safety needs and meet the criteria for assistance under this subtitle; and

"(B) whether the Corporation should approve the positions as approved national service positions that include the national service educational award described in subtitle D as one of the benefits to be provided for successful service in the position.

"(d) SPECIAL RULE FOR STATE APPLICANTS.—

"(1) SUBMISSION BY STATE COMMISSION.—The application of a State for approved national service positions or for a grant under section 121(a) shall be submitted by the State Commission.

"(2) COMPETITIVE SELECTION.—The application of a State shall contain an assurance that all assistance provided under section 121(a) to the State will be used to support national service programs that were selected by the State on a competitive basis. In making such competitive selections, the State shall seek to ensure the equitable allocation within the State of assistance and approved national service positions provided under this subtitle to the State taking into consideration such factors as the location of the programs applying to the State, population density, and economic distress.

"(3) ASSISTANCE TO NONSTATE ENTITIES.—The application of a State shall also contain an assurance that not less than 60 percent of the assistance will be used to make grants in support of national service programs other than na-

tional service programs carried out by a State agency. The Corporation may permit a State to deviate from the percentage specified by this subsection if the State has not received a sufficient number of acceptable applications to comply with the percentage.

"(e) SPECIAL RULE FOR CERTAIN APPLICANTS.—

"(1) WRITTEN CONCURRENCE.—In the case of a program applicant that proposes to also serve as the service sponsor, the application shall include the written concurrence of any local labor organization representing employees of the service sponsor who are engaged in the same or substantially similar work as that proposed to be carried out.

"(2) PROGRAM APPLICANT DEFINED.—For purposes of this subsection, the term 'program applicant' means—

"(A) a State, subdivision of a State, Indian tribe, public or private nonprofit organization, institution of higher education, or Federal agency submitting an application under this section; or

"(B) an entity applying for assistance or approved national service positions through a grant program conducted using assistance provided to a State, subdivision of a State, Indian tribe, public or private nonprofit organization, institution of higher education, or Federal agency under section 121.

"(f) LIMITATION ON SAME PROJECT IN MULTIPLE APPLICATIONS.—The Corporation shall reject an application submitted under this section if a project proposed to be conducted using assistance requested by the applicant is already described in another application pending before the Corporation.

"SEC. 131. NATIONAL SERVICE PROGRAM ASSISTANCE REQUIREMENTS.

"(a) IMPACT ON COMMUNITIES.—An application submitted under section 130 shall include an assurance by the applicant that any national service program carried out by the applicant using assistance provided under section 121 and any national service program supported by a grant made by the applicant using such assistance will—

"(1) address unmet human, educational, environmental, or public safety needs through services that provide a direct benefit to the community in which the service is performed; and

"(2) comply with the nonduplication and non-displacement requirements of section 177.

"(b) IMPACT ON PARTICIPANTS.—An application submitted under section 130 shall also include an assurance by the applicant that any national service program carried out by the applicant using assistance provided under section 121 and any national service program supported by a grant made by the applicant using such assistance will—

"(1) provide participants in the national service program with the training, skills, and knowledge necessary for the projects that participants are called upon to perform; and

"(2) provide support services to participants, such as the provision of appropriate information and support—

"(A) to those participants who are completing a term of service and making the transition to other educational and career opportunities; and

"(B) to those participants who are school dropouts in order to assist those participants in earning the equivalent of a high school diploma.

"(c) CONSULTATION.—An application submitted under section 130 shall also include an assurance by the applicant that any national service program carried out by the applicant using assistance provided under section 121 and any national service program supported by a grant made by the applicant using such assistance will—

"(1) provide in the design, recruitment, and operation of the program for broad-based input from—

"(A) the community served and potential participants in the program; and

"(B) community-based agencies with a demonstrated record of experience in providing services and local labor organizations representing employees of service sponsors, if these entities exist in the area to be served by the program;

"(2) prior to the placement of participants, consult with any local labor organization representing employees in the area who are engaged in the same or similar work as that proposed to be carried out by such program to ensure compliance with the nondisplacement requirements specified in section 177; and

"(3) in the case of a program that is not funded through a State, consult with and coordinate activities with the State Commission for the State in which the program operates.

"(d) EVALUATION AND PERFORMANCE GOALS.—

"(1) IN GENERAL.—An application submitted under section 130 shall also include an assurance by the applicant that the applicant will—

"(A) arrange for an independent evaluation of any national service program carried out using assistance provided to the applicant under section 121 or, with the approval of the Corporation, conduct an internal evaluation of the program;

"(B) apply measurable performance goals and evaluation methods (such as the use of surveys of participants and persons served), which are to be used as part of such evaluation to determine the impact of the program—

"(i) on communities and persons served by the projects performed by the program;

"(ii) on participants who take part in the projects; and

"(iii) in such other areas as the Corporation may require; and

"(C) cooperate with any evaluation activities undertaken by the Corporation.

"(2) EVALUATION.—Subject to paragraph (3), the Corporation shall develop evaluation criteria and performance goals applicable to all national service programs carried out with assistance provided under section 121.

"(3) ALTERNATIVE EVALUATION REQUIREMENTS.—The Corporation may establish alternative evaluation requirements for national service programs based upon the amount of assistance received under section 121 or received by a grant made by a recipient of assistance under such section. The determination of whether a national service program is covered by this paragraph shall be made in such manner as the Corporation may prescribe.

"(e) LIVING ALLOWANCES AND OTHER INSERVICE BENEFITS.—Except as provided in section 140(c), an application submitted under section 130 shall also include an assurance by the applicant that the applicant will—

"(1) ensure the provision of a living allowance and other benefits specified in section 140 to participants in any national service program carried out by the applicant using assistance provided under section 121; and

"(2) require that each national service program that receives a grant from the applicant using such assistance will also provide a living allowance and other benefits specified in section 140 to participants in the program.

"(f) SELECTION OF PARTICIPANTS FROM INDIVIDUALS RECRUITED BY CORPORATION OR STATE COMMISSIONS.—The Corporation may also require an assurance by the applicant that any national service program carried out by the applicant using assistance provided under section 121 and any national service program supported by a grant made by the applicant using such assistance will select a portion of the participants for the program from among prospective participants recruited by the Corporation or State Commissions under section 138(d). The Corporation may specify a minimum percentage of par-

ticipants to be selected from the national leadership pool established under section 138(e) and may vary the percentage for different types of national service programs. In the case of programs conducted by a State or subdivision of a State, the Corporation shall permit the State or subdivision to select only residents of that State if such a restrictive selection procedure is necessary to comply with State or local law, regulation, or policy.

"SEC. 132. INELIGIBLE SERVICE CATEGORIES.

"An application submitted to the Corporation under section 130 shall include an assurance by the applicant that any national service program carried out using assistance provided under section 121 and any approved national service position provided to an applicant will not be used to perform service that provides a direct benefit to any—

"(1) business organized for profit;

"(2) labor union;

"(3) partisan political organization; or

"(4) organization engaged in religious activities, unless such service does not involve the use of assistance provided under section 121 or participants to give religious instruction, conduct worship services, or engage in any form of proselytization.

"SEC. 133. CONSIDERATION OF APPLICATIONS.

"(a) CORPORATION CONSIDERATION OF CERTAIN CRITERIA.—The Corporation shall apply the criteria described in subsections (c) and (d) in determining whether—

"(1) to approve an application submitted under section 130 and provide assistance under section 121 to the applicant; and

"(2) to approve service positions described in the application as national service positions that include the national service educational award described in subtitle D and provide such approved national service positions to the applicant.

"(b) APPLICATION TO SUBGRANTS.—A State or other entity that uses assistance provided under section 121(a) to support national service programs selected on a competitive basis to receive a share of the assistance shall use the criteria described in subsections (c) and (d) when considering an application submitted by a national service program to receive a portion of such assistance or an approved national service position. The application of the State or other entity under section 130 shall contain a certification that the State or other entity complied with these criteria in the selection of national service programs to receive assistance.

"(c) ASSISTANCE CRITERIA.—The criteria required to be applied in evaluating applications submitted under section 130 are as follows:

"(1) The quality of the national service program proposed to be carried out directly by the applicant or supported by a grant from the applicant.

"(2) The innovative aspects of the national service program, and the feasibility of replicating the program.

"(3) The sustainability of the national service program, based on evidence such as the existence—

"(A) of strong and broad-based community support for the program; and

"(B) of multiple funding sources or private funding for the program.

"(4) The quality of the leadership of the national service program, the past performance of the program, and the extent to which the program builds on existing programs.

"(5) The extent to which participants of the national service program are recruited from among residents of the communities in which projects are to be conducted, and the extent to which participants and community residents are involved in the design, leadership, and operation of the program.

"(6) The extent to which projects would be conducted in the following areas where they are needed most—

"(A) communities designated as enterprise zones or redevelopment areas, targeted for special economic incentives, or otherwise identifiable as having high concentrations of low-income people;

"(B) areas that are environmentally distressed;

"(C) areas adversely affected by Federal actions related to the management of Federal lands that result in significant regional job losses and economic dislocation;

"(D) areas adversely affected by reductions in defense spending or the closure or realignment of military installations;

"(E) rural areas adversely affected by unfair trading practices of international competitors of the United States; or

"(F) areas that have an unemployment rate greater than the national average unemployment for the most recent 12 months for which satisfactory data are available.

"(7) In the case of applicants other than States, the extent to which the application is consistent with the application under section 130 of the State in which the projects would be conducted.

"(8) Such other criteria as the Corporation considers to be appropriate.

"(d) OTHER CONSIDERATIONS.—

"(1) GEOGRAPHIC DIVERSITY.—The Corporation shall ensure that recipients of assistance provided under section 121 are geographically diverse and include projects to be conducted in those urban and rural areas in a State with the highest rates of poverty.

"(2) PRIORITIES.—The Corporation may designate, under such criteria as may be established by the Corporation, certain national service programs or types of national service programs described in section 122(a) for priority consideration in the competitive distribution of funds under section 129(d)(2). In designating national service programs to receive priority, the Corporation may include—

"(A) national service programs carried out by another Federal agency;

"(B) national service programs that conform to the national service priorities in effect under section 122(c);

"(C) innovative national service programs;

"(D) national service programs that are well established in one or more States at the time of the application and are proposed to be expanded to additional States using assistance provided under section 121;

"(E) grant programs in support of other national service programs if the grant programs are to be conducted by nonprofit organizations with a demonstrated and extensive expertise in the provision of services to meet human, educational, environmental, or public safety needs; and

"(F) professional corps programs described in section 122(a)(8).

"(e) EMPHASIS ON AREAS MOST IN NEED.—In making assistance available under section 121 and in providing approved national service positions under section 123, the Corporation shall ensure that not less than 50 percent of the total amount of assistance to be distributed to States under subsections (a) and (d)(1) of section 129 for a fiscal year are provided to carry out or support national service programs and projects that—

"(1) are conducted in areas of economic distress described in subsection (c)(6) or on Federal or other public lands to address unmet human, educational, environmental, or public safety needs in such areas; and

"(2) place a priority on the recruitment of participants who are residents of areas of economic distress described in subsection (c)(6) or Federal or other public lands.

"(f) REJECTION OF STATE APPLICATIONS.—

"(1) NOTIFICATION OF STATE APPLICANTS.—If the Corporation rejects an application submitted by a State Commission under section 130 for funds described in section 129(a)(1), the Corporation shall promptly notify the State Commission of the reasons for the rejection of the application.

"(2) RESUBMISSION AND RECONSIDERATION.—The Corporation shall provide a State Commission notified under paragraph (1) with a reasonable opportunity to revise and resubmit the application. At the request of the State Commission, the Corporation shall provide technical assistance to the State Commission as part of the resubmission process. The Corporation shall promptly reconsider an application resubmitted under this paragraph.

"(3) REALLOTMENT.—The amount of any State's allotment under section 129(a) for a fiscal year that the Corporation determines will not be provided for that fiscal year shall be available for distribution by the Corporation as provided in paragraph (4) of such subsection.

"SEC. 134. EVALUATION OF SUCCESS OF INVESTMENT IN NATIONAL SERVICE.

"(a) EVALUATION REQUIRED.—Not later than two years after the date of the enactment of this section, the Corporation shall arrange for the independent evaluation of the operation of this subtitle to determine the levels of participation of economically disadvantaged individuals in national service programs carried out or supported using assistance provided under section 121.

"(b) PERIOD COVERED BY EVALUATION.—The evaluation required by this section shall cover the two-year period beginning on the date the Corporation first makes a grant under section 121.

"(c) INCOME LEVELS OF PARTICIPANTS.—The evaluating entity shall determine the total income of each participant who serves, during the period covered by the evaluation, in a national service program carried out or supported using assistance provided under section 121 or in an approved national service position. The total income of a participant shall be determined as of the date the participant was first selected to participate and shall include family total income unless the evaluating entity determines that the participant was independent at the time of selection.

"(d) ASSISTANCE FOR DISTRESSED AREAS.—The evaluating entity shall also determine the amount of assistance provided under section 121 during the period covered by the report that has been expended for projects conducted in areas of economic distress described in section 133(c)(6).

"(e) REPORT.—The evaluating entity shall submit a report containing the results of the evaluation to the President, the Congress, the Corporation, and each State Commission.

"(f) DEFINITIONS.—For purposes of this section:

"(1) The term 'total income' has the meaning given that term in subsection (a) of the Higher Education Act of 1965 (20 U.S.C. 1087vv).

"(2) The term 'independent' has the meaning given that term in subsection (d) of such section.

"PART III—NATIONAL SERVICE PARTICIPANTS**"SEC. 137. DESCRIPTION OF PARTICIPANTS.**

"(a) IN GENERAL.—For purposes of this subtitle, an individual shall be considered to be a participant in a national service program carried out using assistance provided under section 121 if the individual—

"(1) meets such eligibility requirements as may be established by the program;

"(2) is selected by the program to serve in a position with the program;

"(3) will serve in the program for a term of service specified in section 139 to be performed

before, during, or after attendance at an institution of higher education;

"(4) is 17 years of age or older at the time the individual begins the term of service;

"(5) has received a high school diploma or its equivalent, agrees to obtain a high school diploma or its equivalent (unless this requirement is waived based on an individual education assessment conducted by the program) and the individual did not drop out of an elementary or secondary school to enroll in the program, or is enrolled in an institution of higher education on an ability to benefit basis and is considered eligible for funds under section 484 of the Higher Education Act of 1965 (20 U.S.C. 1091); and

"(6) is a citizen or national of the United States or lawful permanent resident alien of the United States.

"(b) SPECIAL RULES FOR CERTAIN YOUTH PROGRAMS.—An individual shall be considered to be a participant in a youth corps program described in section 122(a)(2) or a program described in section 122(a)(9) that is carried out with assistance provided under section 121(a) if the individual—

"(1) satisfies the requirements specified in subsection (a), except paragraph (4) of such subsection; and

"(2) is between the ages of 16 and 25, inclusive, at the time the individual begins the term of service.

"SEC. 138. SELECTION OF NATIONAL SERVICE PARTICIPANTS.

"(a) SELECTION PROCESS.—Subject to subsections (b) and (c) and section 131(f), the actual recruitment and selection of an individual to serve in a national service program receiving assistance under section 121 or to fill an approved national service position shall be conducted by the State, subdivision of a State, Indian tribe, public or private nonprofit organization, institution of higher education, Federal agency, or other entity to which the assistance and approved national service positions are provided.

"(b) NONDISCRIMINATION AND NONPOLITICAL SELECTION OF PARTICIPANTS.—The recruitment and selection of individuals to serve in national service programs receiving assistance under section 121 or to fill approved national service positions shall be consistent with the requirements of section 175.

"(c) SECOND TERM.—Acceptance into a national service program to serve a second term of service under section 139 shall only be available to individuals who perform satisfactorily in their first term of service.

"(d) RECRUITMENT AND PLACEMENT.—The Corporation and each State Commission shall establish a system to recruit individuals who desire to perform national service and to assist the placement of these individuals in approved national service positions, including positions available under titles I and II of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4951 et seq.). The Corporation and State Commissions shall disseminate information regarding available approved national service positions through cooperation with secondary schools, institutions of higher education, employment service offices, vocational rehabilitation agencies and other State offices that serve primarily people with disabilities, and other appropriate entities, particularly those organizations that provide outreach to disadvantaged youths and youths with disabilities.

"(e) NATIONAL LEADERSHIP POOL.—

"(1) SELECTION AND TRAINING.—From among individuals recruited under subsection (d), the Corporation may select individuals with significant leadership potential, as determined by the Corporation, to receive special training to enhance their leadership ability. The leadership training shall be provided by the Corporation directly or through a grant or contract.

"(2) EMPHASIS ON CERTAIN INDIVIDUALS.—In selecting individuals to receive leadership training under this subsection, the Corporation shall make special efforts to select individuals who have served in the Peace Corps, as VISTA volunteers, as participants in a program under title II of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 5000 et seq.), or as participants in national service programs receiving assistance under section 121, or who are honorably discharged members of the Armed Forces of the United States.

"(3) ASSIGNMENT.—At the request of a program that receives assistance under the national service laws, the Corporation may assign an individual who receives leadership training under paragraph (1) to work with the program in a leadership position and carry out assignments not otherwise performed by regular participants. An individual assigned to a program shall be considered to be a participant of the program.

"(f) EVALUATION OF SERVICE.—The Chairperson shall issue regulations regarding the manner and criteria by which the service of a participant shall be evaluated to determine whether the service is satisfactory and successful for purposes of eligibility for a second term of service or a national service educational award.

"SEC. 139. TERMS OF SERVICE.

"(a) IN GENERAL.—As a condition of receiving a national service education award under subtitle D, a participant in an approved national service position shall be required to perform full- or part-time national service for at least one term of service specified in subsection (b).

"(b) TERM OF SERVICE.—

"(1) FULL-TIME SERVICE.—An individual performing full-time national service in an approved national service position shall agree to participate in the program sponsoring the position for not less than 1,700 hours during a period of not less than 9 months and not more than 1 year.

"(2) PART-TIME SERVICE.—Except as provided in paragraph (3), an individual performing part-time national service in an approved national service position shall agree to participate in the program sponsoring the position for not less than 1,700 hours during a period of—

"(A) not less than 1 year and not more than 2 years; or

"(B) not less than 1 year and not more than 3 years if the individual is enrolled in an institution of higher education while performing all or a portion of the service.

"(3) REDUCTION IN HOURS OF PART-TIME SERVICE.—The Corporation may reduce the number of hours required to be served to successfully complete part-time national service to a level determined by the Corporation, except that any reduction in the required term of service shall include a corresponding reduction in the amount of any national service educational award that may be available under subtitle D with regard to that service.

"(c) RELEASE FROM COMPLETING TERM OF SERVICE.—

"(1) RELEASE AUTHORIZED.—A recipient of assistance under section 121 or a program sponsoring an approved national service position may release a participant from completing a term of service in the position—

"(A) for compelling personal circumstances as demonstrated by the participant; or

"(B) for cause.

"(2) EFFECT OF RELEASE FROM COMPELLING CIRCUMSTANCES.—If a participant eligible for release under paragraph (1)(A) is serving in an approved national service position, the recipient of assistance under section 121 or a program sponsoring an approved national service position may elect—

"(A) to grant such release and provide to the participant that portion of the national service

educational award corresponding to the portion of the term of service actually completed, as provided in section 147(b); or

"(B) to permit the participant to temporarily suspend performance of the term of service for a period of up to 2 years (and such additional period as the Corporation may allow for extenuating circumstances) and, upon completion of such period, to allow return to the program with which the individual was serving in order to complete the remainder of the term of service and obtain the entire national service educational award.

"(3) EFFECT OF RELEASE FOR CAUSE.—A participant released for cause may not receive any portion of the national service educational award.

"SEC. 140. LIVING ALLOWANCES FOR NATIONAL SERVICE PARTICIPANTS.

"(a) PROVISION OF LIVING ALLOWANCE.—

"(1) LIVING ALLOWANCE REQUIRED.—Subject to paragraph (3), a national service program carried out using assistance provided under section 121 shall provide to each participant in the program a living allowance in an amount equal or greater than the average annual subsistence allowance provided to VISTA volunteers under section 105 of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4955).

"(2) LIMITATION ON FEDERAL SHARE.—The amount of the annual living allowance provided under paragraph (1) that may be paid using assistance provided under section 121 and using any other Federal funds shall not exceed 85 percent of the total average annual provided to VISTA volunteers under section 105 of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4955).

"(3) MAXIMUM LIVING ALLOWANCE.—Except as provided in subsection (c), the total amount of an annual living allowance that may be provided to a participant in a national service program shall not exceed 200 percent of the average annual subsistence allowance provided to VISTA volunteers under section 105 of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4955).

"(4) PRORATION OF LIVING ALLOWANCE.—The amount provided as a living allowance under this subsection shall be prorated in the case of a participant who is authorized to serve a reduced term of service under section 139(b)(3).

"(5) WAIVER OR REDUCTION OF LIVING ALLOWANCE.—The Corporation may waive or reduce the requirement of paragraph (1) with respect to such national service program if it is demonstrated that to provide the living allowance required by such paragraph would cause undue hardship to such program.

"(6) EVALUATION OF LIVING ALLOWANCE.—Not later than 2 years after the effective date of this subsection, the Corporation shall arrange for an independent evaluation to determine the levels of living allowances paid in all programs under this subtitle, individually, by State, and by region. Such evaluation shall determine the effects that such living allowances have had on the ability of individuals to participate in such programs.

"(b) COVERAGE OF CERTAIN EMPLOYMENT-RELATED TAXES.—To the extent a national service program that receives assistance under section 121 is subject, with respect to the participants in the program, to the taxes imposed on an employer under sections 3111 and 3301 of the Internal Revenue Code of 1986 (26 U.S.C. 3111, 3301) and taxes imposed on an employer under a workmen's compensation act, the assistance provided to the program under section 121 shall include an amount sufficient to cover 85 percent of such taxes based upon the lesser of—

"(1) the total average annual subsistence allowance provided to VISTA volunteers under section 105 of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4955); and

"(2) the annual living allowance established by the program.

"(c) EXCEPTION FROM MAXIMUM LIVING ALLOWANCE FOR CERTAIN ASSISTANCE.—A professional corps program described in section 122(a)(8) that desires to provide or arrange for a living allowance in excess of the maximum allowance authorized in subsection (a)(3) may still apply for such assistance, except that—

"(1) any assistance provided to the applicant under section 121 may not be used to pay for any portion of the allowance;

"(2) the applicant shall apply for such assistance only by submitting an application to the Corporation for assistance on a competitive basis; and

"(3) the national service program must be operated directly by the applicant and must meet urgent, unmet human, educational, environmental, or public safety needs, as determined by the Corporation.

"(d) HEALTH INSURANCE.—

"(1) IN GENERAL.—A State or other recipient of assistance under section 121 shall provide a basic health care policy for each full-time participant in a national service program carried out or supported using the assistance if the participant is not otherwise covered by a health care policy. Not more than 85 percent of the cost of a premium shall be provided by the Corporation, with the remaining cost paid by the entity receiving assistance under section 121. The Corporation shall establish minimum standards that all plans must meet in order to qualify for payment under this part, any circumstances in which an alternative health care policy may be substituted for the basic health care policy, and mechanisms to prohibit participants from dropping existing coverage.

"(2) NEUTRALITY.—Section 909 of the Education Amendments of 1972 (20 U.S.C. 1688) shall apply with respect to the minimum health care standards established by the Corporation under paragraph (1) and the basic health care policy to be provided to full-time participants under such section. These standards shall not apply to a recipient of assistance under section 121 or any national service program carried out or supported using the assistance if the recipient or program is controlled by a religious organization and application of the standards would not be consistent with the religious tenets of the organization.

"(e) CHILD CARE.—

"(1) AVAILABILITY.—A State or other recipient of assistance under section 121 shall—

"(A) make child care available for children of each full-time participant who serves in a national service program carried out or supported by the recipient using the assistance, including individuals who need such child care in order to participate in the program; or

"(B) provide a child care allowance to each full-time participant in a national service program who needs such assistance in order to participate in the program.

"(2) GUIDELINES.—The Corporation shall establish guidelines regarding the circumstances under which child care must be made available under this subsection and the value of any allowance to be provided.

"(f) INDIVIDUALIZED SUPPORT SERVICES.—A State or other recipient of assistance under section 121 shall provide auxiliary aids and services based on the individualized need of a participant who is a qualified individual with a disability.

"(g) WAIVER OF LIMITATION ON FEDERAL SHARE.—The Corporation may waive in whole or in part the limitation on the Federal share specified in this section with respect to a particular national service program in any fiscal year if the Corporation determines that such a waiver would be equitable due to a lack of available financial resources at the local level.

"SEC. 141. NATIONAL SERVICE EDUCATIONAL AWARDS.

"(a) ELIGIBILITY GENERALLY.—A participant in a national service program carried out using assistance provided to an applicant under section 121 shall be eligible for the national service educational award described in subtitle D if the participant—

"(1) serves in an approved national service position; and

"(2) satisfies the eligibility requirements specified in section 146 with respect to service in that approved national service position.

"(b) SPECIAL RULE FOR VISTA VOLUNTEERS.—A VISTA volunteer who serves in an approved national service position shall be ineligible for a national service educational award if the VISTA volunteer accepts the stipend authorized under section 105(a)(1) of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4955(a)(1)).

"(c) TABLE OF CONTENTS.—Section 1(b) of the National and Community Service Act of 1990 (Public Law 101-610; 104 Stat. 3127) is amended—

(1) by striking the items relating to subtitle C of title I of such Act and inserting the following new items:

"Subtitle C—National Service Trust Program

"PART I—INVESTMENT IN NATIONAL SERVICE

"Sec. 121. Authority to provide assistance and approved national service positions.

"Sec. 122. Types of national service programs eligible for program assistance.

"Sec. 123. Types of national service positions eligible for approval for national service educational awards.

"Sec. 124. Types of program assistance.

"Sec. 125. Training and technical assistance.

"Sec. 126. Other special assistance.

"PART II—APPLICATION AND APPROVAL PROCESS

"Sec. 129. Provision of assistance and approved national service positions by competitive and other means.

"Sec. 130. Application for assistance and approved national service positions.

"Sec. 131. National service program assistance requirements.

"Sec. 132. Ineligible service categories.

"Sec. 133. Consideration of applications.

"Sec. 134. Evaluation of success of investment in national service.

"PART III—NATIONAL SERVICE PARTICIPANTS

"Sec. 137. Description of participants.

"Sec. 138. Selection of national service participants.

"Sec. 139. Terms of service.

"Sec. 140. Living allowances for national service participants.

"Sec. 141. National service educational awards.";

and

(2) by inserting after the item relating to section 195O the following new items:

"Subtitle I—American Conservation and Youth Corps

"Sec. 199. Short title.

"Sec. 199A. General authority.

"Sec. 199B. Allocation of funds.

"Sec. 199C. State application.

"Sec. 199D. Focus of programs.

"Sec. 199E. Related programs.

"Sec. 199F. Public lands or Indian lands.

"Sec. 199G. Training and education services.

"Sec. 199H. Amount of award; matching requirement.

"Sec. 199I. Preference for certain projects.

"Sec. 199J. Age and citizenship criteria for enrollment.

"Sec. 199K. Use of volunteers.

"Sec. 199L. Post-service benefits.

"Sec. 199M. Living allowance.

"Sec. 199N. Joint programs.

"Sec. 199O. Federal and State employee status."

(d) **LIVING ALLOWANCE UNDER SUBTITLE I.**—Section 199M(a) of the National and Community Service Act of 1990 (former section 133(a) of such Act as redesignated in subsection (a)(3) of this section) (42 U.S.C. 12553(a)) is amended by striking paragraphs (1) and (2) and inserting the following new paragraphs:

"(1) **LIVING ALLOWANCE REQUIRED.**—Subject to paragraph (3), each participant in a full-time youth corps program that receives assistance under this subtitle shall receive a living allowance in an amount equal or greater than the average annual subsistence allowance provided to VISTA volunteers under section 105 of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4955).

"(2) **LIMITATION ON FEDERAL SHARE.**—The amount of the annual living allowance provided under paragraph (1) that may be paid using assistance provided under this subtitle, section 121, and any other Federal funds shall not exceed 85 percent of the total average annual subsistence allowance provided to VISTA volunteers under section 105 of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4955).

"(3) **MAXIMUM LIVING ALLOWANCE.**—The total amount of an annual living allowance that may be provided to a participant in a full-time youth corps program that receives assistance under this subtitle shall not exceed 200 percent of the average annual subsistence allowance provided to VISTA volunteers under section 105 of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4955).

"(4) **WAIVER OR REDUCTION OF LIVING ALLOWANCE.**—The Corporation may waive or reduce the requirement of paragraph (1) with respect to such national service program if it is demonstrated that to provide the living allowance required by such paragraph would cause undue hardship to such program.

"(5) **EVALUATION OF LIVING ALLOWANCE.**—Not later than 2 years after the effective date of this subsection, the Corporation shall arrange for an independent evaluation to determine the levels of living allowances paid in all programs under this subtitle, individually, by State, and by region. Such evaluation shall determine the effects that such living allowances have had on the ability of individuals to participate in such programs."

(e) **TECHNICAL AND CONFORMING AMENDMENTS.**—

(1) **REFERENCES.**—Subtitle I of title I of the National and Community Service Act of 1990 (as so redesignated by subsection (a)(1) of this section) is amended by striking "Commission" each place it appears in sections 199A, 199B, 199C, 199D, 199F, 199H, 199I, 199M, and 199N (as redesignated in subsection (a)(3) of this section) and inserting "Corporation".

(2) **GENERAL AUTHORITY.**—Section 199A of such Act (as redesignated in subsection (a)(3) of this section) (42 U.S.C. 12541) is amended—

(A) by striking "under section 102"; and

(B) by striking ", to the Secretary of the Interior, or to the Director of ACTION" and inserting "or to the Secretary of the Interior".

(3) **ALLOCATION.**—Section 199B of such Act (as redesignated in subsection (a)(3) of this section) (42 U.S.C. 12542) is amended by striking "section 123" each place it appears and inserting "section 199C".

(4) **STATE APPLICATION.**—Section 199C(a) of such Act (as redesignated in subsection (a)(3) of this section) (42 U.S.C. 12543(a)) is amended by striking "section 122(b)" and inserting "section 199B(b)".

(5) **PUBLIC LANDS.**—Section 199F(b) of such Act (as redesignated in subsection (a)(3) of this section) (42 U.S.C. 12546(b)) is amended by striking "section 123" and inserting "section 199C".

(6) **PREFERENCE.**—Section 199I(a) of such Act (as redesignated in subsection (a)(3) of this section) (42 U.S.C. 12549) is amended by striking "section 123" and inserting "section 199C".

SEC. 102. NATIONAL SERVICE TRUST AND PROVISION OF NATIONAL SERVICE EDUCATIONAL AWARDS.

(a) **ESTABLISHMENT OF TRUST; PROVISION OF AWARDS.**—Subtitle D of title I of the National and Community Service Act of 1990 (42 U.S.C. 12571 et seq.) is amended to read as follows:

"Subtitle D—National Service Trust and Provision of National Service Educational Awards

"SEC. 145. ESTABLISHMENT OF THE NATIONAL SERVICE TRUST.

"(a) **ESTABLISHMENT.**—There is established in the Treasury of the United States an account to be known as the National Service Trust. The Trust shall consist of—

"(1) from the amounts appropriated to the Corporation and made available to carry out this subtitle pursuant to section 501(a)(2), such amounts as the Corporation may designate to be available for the payment of—

"(A) national service educational awards; and
"(B) interest expenses pursuant to section 148(e);

"(2) any amounts received by the Corporation as gifts, bequests, devise, or otherwise pursuant to section 196(a)(2); and

"(3) the interest on, and proceeds from the sale or redemption of, any obligations held by the Trust.

"(b) **INVESTMENT OF TRUST.**—It shall be the duty of the Secretary of the Treasury to invest in full the amounts appropriated to the Trust. Except as otherwise expressly provided in instruments concerning a gift, bequest, devise, or other donation and agreed to by the Corporation, such investments may be made only in interest-bearing obligations of the United States or in obligations guaranteed as to both principal and interest by the United States. For such purpose, such obligations may be acquired (1) on original issue at the issue price, or (2) by purchase of outstanding obligations at the market-place. Any obligation acquired by the Trust may be sold by the Secretary at the market price.

"(c) **EXPENDITURES FROM TRUST.**—Amounts in the Trust shall be available for payments of national service educational awards in accordance with section 148.

"(d) **REPORTS TO CONGRESS ON RECEIPTS AND EXPENDITURES.**—Not later than March 1 of each year, the Corporation shall submit a report to the Congress on the financial status of the Trust during the preceding fiscal year. Such report shall—

"(1) specify the amount deposited to the Trust from the most recent appropriation to the Corporation, the amount received by the Corporation as gifts or bequest during the period covered by the report, and any amounts obtained by the Trust pursuant to subsection (a)(3);

"(2) identify the number of individuals who are currently performing service to qualify, or have qualified, for national service educational awards;

"(3) identify the number of individuals whose ability to claim national service educational awards during the period covered by the report—

"(A) has been reduced pursuant to section 147(b); or

"(B) has lapsed pursuant to section 146(d); and

"(4) estimate the number of additional approved national service positions which the Corporation will be able to make available under subtitle C on the basis of any accumulated surplus in the Trust above the amount required to provide national service educational awards to individuals identified under paragraph (2), in-

cluding any amounts available as a result of the circumstances referred to in paragraph (3).

"SEC. 146. INDIVIDUALS ELIGIBLE TO RECEIVE A NATIONAL SERVICE EDUCATIONAL AWARD FROM THE TRUST.

"(a) **ELIGIBLE INDIVIDUALS.**—An individual shall receive a national service educational award from the National Service Trust if the individual—

"(1) successfully completes the required term of service described in subsection (b) in an approved national service position;

"(2) was 17 years of age or older at the time the individual began serving in the approved national service position or was an out-of-school youth serving in an approved national service position with a youth corps program described in section 122(a)(2) or a program described in section 122(a)(9);

"(3) has received a high school diploma, or the equivalent of such diploma, at the time the individual uses the national service educational award, unless this requirement has been waived based on an individual education assessment conducted by the program; and

"(4) is a citizen or national of the United States or lawful permanent resident alien of the United States.

"(b) **TERM OF SERVICE.**—The term of service for an approved national service position shall not be less than the full- or part-time term of service specified in section 139(b).

"(c) **LIMITATION ON NUMBER OF TERMS OF SERVICE FOR AWARDS.**—Although an individual may serve more than 2 terms of service described in subsection (b) in an approved national service position, the individual shall receive a national service educational award from the National Service Trust only on the basis of the first and second of such terms of service.

"(d) **TIME FOR USE OF EDUCATIONAL AWARD.**—

"(1) **FIVE-YEAR REQUIREMENT.**—An individual eligible to receive a national service educational award under this section may not use such award after the end of the 5-year period beginning on the date the individual completes the term of service in an approved national service position that is the basis of the award.

"(2) **EXCEPTION.**—The Corporation may extend the period within which an individual may use a national service educational award if the Corporation determines that the individual—

"(A) was unavoidably prevented from using the national service educational award during the original 5-year period; or

"(B) performed another term of service in an approved national service position during that period.

"(e) **SUSPENSION OF ELIGIBILITY FOR DRUG-RELATED OFFENSES.**—

"(1) **IN GENERAL.**—An individual who, after qualifying under this section as an eligible individual, has been convicted under any Federal or State law of the possession or sale of a controlled substance shall not be eligible to receive a national service educational award during the period beginning on the date of such conviction and ending after the interval specified in the following table:

"If convicted of:	
The possession of a controlled substance:	Ineligibility period is:
1st conviction	1 year
2nd conviction	2 years
3rd conviction	indefinite
The sale of a controlled substance:	
1st conviction	2 years
2nd conviction	indefinite

"(2) **REHABILITATION.**—An individual whose eligibility has been suspended under paragraph (1) shall resume eligibility before the end of the

period determined under such paragraph if the individual satisfactorily completes a drug rehabilitation program that complies with such criteria as the Corporation shall prescribe for purposes of this paragraph.

"(3) **FIRST CONVICTIONS.**—An individual whose eligibility has been suspended under paragraph (1) and is convicted of his or her first offense may resume eligibility before the end of the period determined under such paragraph if the student demonstrates that he or she has enrolled or been accepted for enrollment in a drug rehabilitation program that complies with such criteria as the Corporation shall prescribe for purposes of this subsection.

"(4) **DEFINITIONS.**—As used in this subsection, the term 'controlled substance' has the meaning given in section 102(b) of the Controlled Substances Act (21 U.S.C. 802(b)).

"(5) **EFFECTIVE DATE.**—This subsection shall be effective upon publication by the Corporation in the Federal Register of criteria prescribed under paragraph (2) of this subsection.

"(f) **AUTHORITY TO ESTABLISH DEMONSTRATION PROGRAMS.**—The Corporation may establish by regulation demonstration programs for the creation and evaluation of innovative volunteer and community service programs.

"SEC. 147. DETERMINATION OF THE AMOUNT OF THE NATIONAL SERVICE EDUCATIONAL AWARD.

"(a) **AMOUNT GENERALLY.**—Except as provided in subsection (b), an individual described in section 146(a) who successfully completes a required term of service in an approved national service position shall receive a national service educational award having a value equal to \$5,000 for each of not more than 2 of such terms of service.

"(b) **AWARD FOR PARTIAL COMPLETION OF SERVICE.**—If an individual serving in an approved national service position is released in accordance with section 139(c)(1)(A) from completing the term of service agreed to by the individual, the Corporation may provide the individual with that portion of the national service educational award approved for the individual that corresponds to the quantity of the term of service actually completed by the individual.

"SEC. 148. DISBURSEMENT OF NATIONAL SERVICE EDUCATIONAL AWARDS.

"(a) **IN GENERAL.**—Amounts in the Trust shall be available—

"(1) to repay student loans in accordance with subsection (b);

"(2) to pay all or part of the cost of attendance at an institution of higher education in accordance with subsection (c);

"(3) to pay expenses incurred in participating in an approved school-to-work program in accordance with subsection (d); and

"(4) to pay interest expenses in accordance with regulations prescribed pursuant to subsection (e).

"(b) **USE OF EDUCATIONAL AWARD TO REPAY OUTSTANDING STUDENT LOANS.**—

"(1) **APPLICATION BY ELIGIBLE INDIVIDUALS.**—An eligible individual under section 146 who desires to apply his or her national service educational award to the repayment of qualified student loans shall submit, in a manner prescribed by the Corporation, an application to the Corporation that—

"(A) identifies, or permits the Corporation to identify readily, the holder or holders of such loans;

"(B) indicates, or permits the Corporation to determine readily, the amounts of principal and interest outstanding on the loans;

"(C) specifies, if the outstanding balance is greater than the amount disbursed under paragraph (2), which of the loans the individual prefers to be paid by the Corporation; and

"(D) contains or is accompanied by such other information as the Corporation may require.

"(2) **DISBURSEMENT OF REPAYMENTS.**—Upon receipt of an application from an eligible individual of an application that complies with paragraph (1), the Corporation shall, as promptly as practicable consistent with paragraph (5), disburse the amount of the national service educational award to which the eligible individual is entitled. Such disbursement shall be made by check or other means that is payable to the holder of the loan and requires the endorsement or other certification by the eligible individual.

"(3) **APPLICATION OF DISBURSED AMOUNTS.**—If the amount disbursed under paragraph (2) is less than the principal and accrued interest on any qualified student loan, such amount shall be applied according to the specified priorities of the individual.

"(4) **REPORTS BY HOLDERS.**—Any holder receiving a loan payment pursuant to this subsection shall submit to the Corporation such information as the Corporation may require to verify that such payment was applied in accordance with this subsection and any regulations prescribed to carry out this subsection.

"(5) **NOTIFICATION OF INDIVIDUAL.**—The Corporation upon disbursing the national service educational award, shall notify the individual of the amount paid for each outstanding loan and the date of payment.

"(6) **AUTHORITY TO AGGREGATE PAYMENTS.**—The Corporation may, by regulation, provide for the aggregation of payments to holders under this subsection.

"(7) **DEFINITION OF QUALIFIED STUDENT LOANS.**—As used in this subsection, the term 'qualified student loans' means—

"(A) any loan made, insured, or guaranteed pursuant to title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.), other than a loan to a parent of a student pursuant to section 428B of such Act (20 U.S.C. 1078-2); and

"(B) any loan made pursuant to title VII or VIII of the Public Health Service Act (42 U.S.C. 292a et seq.).

"(8) **DEFINITION OF HOLDER.**—As used in this subsection, the term 'holder' with respect to any eligible loan means the original lender or, if the loan is subsequently sold, transferred, or assigned to some other person, and such other person acquires a legally enforceable right to receive payments from the borrower, such other person.

"(c) **USE OF EDUCATIONAL AWARDS TO PAY CURRENT EDUCATIONAL EXPENSES.**—

"(1) **APPLICATION BY ELIGIBLE INDIVIDUAL.**—An eligible individual under section 146 who desires to apply his or her national service educational award to the payment of current full-time or part-time educational expenses shall, on a form prescribed by the Corporation, submit an application to the institution of higher education in which the student will be enrolled that contains such information as the Corporation may require to verify the individual's eligibility.

"(2) **SUBMISSION OF REQUESTS FOR PAYMENT BY INSTITUTIONS.**—An institution of higher education that receives one or more applications that comply with paragraph (1) shall submit to the Corporation a statement, in a manner prescribed by the Corporation, that—

"(A) identifies each eligible individual filing an application under paragraph (1) for a disbursement of the individual's national service educational award under this subsection;

"(B) specifies the amounts for which such eligible individuals are, consistent with paragraph (6), qualified for disbursement under this subsection;

"(C) certifies that (i) the institution of higher education has in effect a program participation agreement under section 487 of the Higher Education Act of 1965 (20 U.S.C. 1094), and (ii) the institution's eligibility to participate in any of the programs under title IV of such Act (20

U.S.C. 1070 et seq.) has not been limited, suspended, or terminated; and

"(D) contains such provisions concerning financial compliance as the Corporation may require.

"(3) **DISBURSEMENT OF PAYMENTS.**—Upon receipt of a statement from an institution of higher education that complies with paragraph (2), the Corporation shall, subject to paragraph (4), disburse the total amount of the national service educational awards for which eligible individuals who have submitted applications to that institution under paragraph (1) are qualified. Such disbursement shall be made by check or other means that is payable to the institution and requires the endorsement or other certification by the eligible individual.

"(4) **MULTIPLE DISBURSEMENTS REQUIRED.**—The total amount required to be disbursed to an institution of higher education under paragraph (3) for any period of enrollment shall be disbursed by the Corporation in 2 or more installments, none of which exceeds 1/2 of such total amount. The interval between the first and second such installment shall not be less than 1/2 of such period of enrollment, except as necessary to permit the second installment to be paid at the beginning of the second semester, quarter, or similar division of such period of enrollment.

"(5) **REFUND RULES.**—The Corporation shall, by regulation, provide for the refund to the Corporation (and the crediting to the national service educational award of an eligible individual) of amounts disbursed to institutions for the benefit of eligible individuals who withdraw or otherwise fail to complete the period of enrollment for which the assistance was provided. Such regulations shall be consistent with the fair and equitable refund policies required of institutions pursuant to section 484B of the Higher Education Act of 1965 (20 U.S.C. 1091b). Amounts refunded to the Trust pursuant to this paragraph may be used by the Corporation to fund additional approved national service positions under subtitle C.

"(6) **MAXIMUM AWARD.**—The portion of an eligible individual's total available national service educational award that may be disbursed under this subsection for any period of enrollment shall not exceed the difference between—

"(A) the eligible individual's cost of attendance for such period of enrollment, determined in accordance with section 472 of the Higher Education Act of 1965 (20 U.S.C. 1087il); and

"(B) the sum of (i) the student's estimated financial assistance for such period under part A of title IV of such Act (20 U.S.C. 1070 et seq.), and (ii) the student's veterans' education benefits, determined in accordance with section 480(c) of such Act (20 U.S.C. 1087vu(c)).

"(d) **USE OF EDUCATIONAL AWARD TO PARTICIPATE IN APPROVED SCHOOL-TO-WORK PROGRAMS.**—The Corporation shall by regulation provide for the payment of national service educational awards to permit eligible individuals to participate in school-to-work programs approved by the Secretaries of Labor and Education.

"(e) **INTEREST PAYMENTS DURING FORBEARANCE ON LOAN REPAYMENT.**—The Corporation shall provide by regulation for the payment on behalf of an eligible individual of interest that accrues during a period for which such individual has obtained forbearance in the repayment of a qualified student loan (as defined in subsection (b)(6)), if the eligible individual successfully completes his or her required term of service (as determined under section 146(b)). Such regulations shall be prescribed after consultation with the Secretary of Education.

"(f) **EXCEPTION.**—With the approval of the Director, an approved national service program funded under section 121, may offer participants

the option of waiving their right to receive a National Service Education Award in order to receive an alternative post-service benefit funded by the program entirely with non-Federal funds.

"(g) DEFINITION OF INSTITUTION OF HIGHER EDUCATION.—Notwithstanding section 101 of this Act, for purposes of this section the term 'institution of higher education' has the meaning provided by section 481(a) of the Higher Education Act of 1965 (20 U.S.C. 1088(a))."

(b) TABLE OF CONTENTS.—Section 1(b) of the National and Community Service Act of 1990 (Public Law 101-610; 104 Stat. 3127) is amended by striking the items relating to subtitle D of title I of such Act and inserting the following new items:

"Subtitle D—National Service Trust and Provision of National Service Educational Awards
"Sec. 145. Establishment of the National Service Trust.

"Sec. 146. Individuals eligible to receive a national service educational award from the Trust.

"Sec. 147. Determination of the amount of the national service educational award.

"Sec. 148. Disbursement of national service educational awards."

(c) CONFORMING AMENDMENTS.—

(1) ELIGIBILITY FOR SUBSIDIZED STAFFORD LOANS.—Section 428(a)(2)(C)(i) of the Higher Education Act of 1965 (20 U.S.C. 1078(a)(2)(C)(i)) is amended by inserting after "parts C and E of this title," the following: "any national service educational award such student will receive under subtitle D of title I of the National and Community Service Act of 1990 (42 U.S.C. 12751 et seq.)."

(2) FORBEARANCE IN THE COLLECTION OF STAFFORD LOANS.—Section 428 of the Higher Education Act of 1965 is amended—

(A) in subsection (b)(1)—

(i) by redesignating subparagraphs (W), (X), and (Y) as subparagraphs (X), (Y), and (Z), respectively; and

(ii) by inserting immediately after subparagraph (V) the following new subparagraph:

"(W)(i) provides that, upon written request, a lender shall grant a borrower forbearance on such terms as are otherwise consistent with the regulations of the Secretary, during periods in which the borrower is serving in a national service position, for which he or she receives a national service educational award under the National Service Trust Act of 1993;

"(ii) provides that clauses (iii) and (iv) of subparagraph (V) shall also apply to a forbearance granted under this subparagraph; and

"(iii) provides that interest shall continue to accrue on a loan for which a borrower receives forbearance under this subparagraph and shall be capitalized or paid by the borrower;" and

(B) in subsection (c)(3)(A), by striking "subsection (b)(1)(V)" and inserting "subsection (b)(1) (V) and (W)".

(3) ELIGIBILITY FOR STAFFORD LOAN FORGIVENESS.—Section 428J of the Higher Education Act of 1965 (20 U.S.C. 1078-10) is amended—

(A) in subsection (b)(1), is amended by striking "October 1, 1992" and inserting "October 1, 1989"; and

(B) in subsection (c), by adding at the end the following new paragraph:

"(5) INELIGIBILITY OF NATIONAL SERVICE EDUCATIONAL AWARD RECIPIENTS.—No student borrower may, for the same volunteer service, receive a benefit under both this section and subtitle D of title I of the National and Community Service Act of 1990 (42 U.S.C. 12751 et seq.)."

(4) ELIGIBILITY FOR PERKINS LOAN FORGIVENESS.—Section 465(a) of the Higher Education Act of 1965 (20 U.S.C. 1087e(a)) is amended by adding at the end the following new paragraph:

"(6) No borrower may, for the same volunteer service, receive a benefit under both this section

and subtitle D of title I of the National and Community Service Act of 1990 (42 U.S.C. 12751 et seq.)."

(5) IMPACT ON GENERAL NEEDS ANALYSIS.—Section 480(j) of such Act (20 U.S.C. 1087vv(j)) is amended by adding at the end the following new paragraph:

"(3) Notwithstanding paragraph (1), any national service educational award such student will receive under subtitle D of title I of the National and Community Service Act of 1990 (42 U.S.C. 12751 et seq.) shall not be taken into account in determining estimated financial assistance not received under this title."

SEC. 103. SCHOOL-BASED AND COMMUNITY-BASED SERVICE-LEARNING PROGRAMS.

(a) AMENDMENTS TO SERVE-AMERICA PROGRAMS.—

(1) PURPOSE.—The purpose of this subsection is to improve the Serve-America programs established under part I of subtitle B of the National and Community Service Act of 1990, and to enable the Corporation for National Service, and the entities receiving financial assistance under such part, to—

(A) work with teachers in elementary schools and secondary schools within a community, and with community-based agencies, to create and offer service-learning opportunities for all school-age youth;

(B) educate teachers, and faculty providing teacher training and retraining, about service-learning, and incorporate service-learning opportunities into classroom teaching to strengthen academic learning;

(C) coordinate the work of adult volunteers who work with elementary and secondary schools as part of their community service activities; and

(D) work with employers in the communities to ensure that projects introduce the students to various careers and expose the students to needed further education and training.

(2) PROGRAMS.—Subtitle B of title I of the National and Community Service Act of 1990 (42 U.S.C. 12501 et seq.) is amended by striking the subtitle heading and all that follows through the end of part I and inserting the following:

"Subtitle B—School-Based and Community-Based Service-Learning Programs

"PART I—SERVE-AMERICA PROGRAMS

"Subpart A—School-Based Programs for Students

"SEC. 111. AUTHORITY TO ASSIST STATES AND INDIAN TRIBES.

"(a) USE OF FUNDS.—The Corporation, in consultation with the Secretary of Education, may make grants under section 112(b)(1), and allotments under subsections (a) and (b)(2) of section 112, to States (acting through their State educational agency) and Indian tribes to pay for the Federal share of—

"(1) planning and building the capacity of the States or Indian tribes (which may be accomplished through grants or contracts with qualified organizations) to implement school-based service-learning programs, including—

"(A) providing training for teachers, supervisors, personnel from community-based agencies (particularly with regard to the utilization of participants), and trainers, to be conducted by qualified individuals or organizations that have experience with service-learning;

"(B) developing service-learning curricula to be integrated into academic programs, including the age-appropriate learning component described in section 114(d)(5)(B);

"(C) forming local partnerships described in paragraph (2) or (4) to develop school-based service-learning programs in accordance with this subpart;

"(D) devising appropriate methods for research and evaluation of the educational value

of service-learning and the effect of service-learning activities on communities; and

"(E) establishing effective outreach and dissemination of information to ensure the broadest possible involvement of community-based agencies with demonstrated effectiveness in working with school-age youth in their communities;

"(2) implementing, operating, or expanding school-based service-learning programs, which may include paying for the cost of the recruitment, training, supervision, placement, salaries, and benefits of service-learning coordinators, through State distribution of Federal funds made available under this subpart to projects operated by local partnerships among—

"(A) local educational agencies; and

"(B) one or more community partners that—

"(i) shall include a public or private nonprofit organization that—

"(I) has a demonstrated and extensive expertise in the provision of services to meet unmet human, educational, environmental, or public safety needs;

"(II) was in existence at least 1 year before the date on which the organization applies to participate in the partnership; and

"(III) will make projects available for participants, who shall be students; and

"(ii) may include a private for-profit business or private elementary or secondary school;

"(3) planning of school-based service-learning programs through State distribution of Federal funds made available under this subpart to local educational agencies, which planning may include paying for the cost of—

"(A) the salaries and benefits of service-learning coordinators; or

"(B) the recruitment, training, supervision, and placement of service-learning coordinators who are participants in a program under subtitle C or receive a national service educational award under subtitle D,

who will identify the community partners described in paragraph (2)(B) and assist in the design and implementation of a program described in paragraph (2); and

"(4) implementing, operating, or expanding school-based service-learning programs involving adult volunteers to utilize service-learning to improve the education of students through State distribution of Federal funds made available under this part to local partnerships among—

"(A) local educational agencies; and

"(B) one or more—

"(i) public or private nonprofit organizations;

"(ii) other educational agencies; or

"(iii) private for-profit businesses,

that coordinate and operate projects for participants, who shall be students.

"(b) DUTIES OF SERVICE-LEARNING COORDINATOR.—A service-learning coordinator referred to in paragraph (2) or (3) of subsection (a) shall provide services to a local educational agency by—

"(1) expanding the awareness of teachers of the potential of service-learning in strengthening the educational achievement, leadership development, and substantive learning, of students;

"(2) providing technical assistance and information to, and facilitating the training of, teachers who want to use service-learning in their classrooms;

"(3) assisting local partnerships described in subsection (a) in the planning, development, and execution of service-learning projects;

"(4) recruiting and supervising adult volunteers, or individuals who are participants in a program under subtitle C or receive a national service educational award under subtitle D, to expand service-learning opportunities; and

"(5) coordinating the activities of the service-learning coordinator with the activities of the

committee described in section 114(d)(1), and, where appropriate, assisting the committee.

"(c) **RELATED EXPENSES.**—A partnership, local educational agency, or other qualified organization that receives financial assistance under this subpart may, in carrying out the activities described in subsection (a), use such assistance to pay for the Federal share of reasonable costs related to the supervision of participants, program administration, transportation, insurance, evaluations, and for other reasonable expenses related to the activities.

"SEC. 111A. AUTHORITY TO ASSIST LOCAL APPLICANTS IN NONPARTICIPATING STATES.

"In any fiscal year in which a State does not submit an application under section 113, for an allotment under subsection (a) or (b)(2) of section 112, that meets the requirements of section 113 and such other requirements as the Chairperson may determine to be appropriate, the Corporation may use the allotment of that State to make direct grants to pay for the Federal share of the cost of—

"(1) carrying out the activities described in paragraph (2) or (4) of section 111(a), to a local partnership described in such paragraph; or

"(2) carrying out the activities described in paragraph (3) of such section, to an agency described in such paragraph, that is located in the State.

"SEC. 111B. AUTHORITY TO ASSIST PUBLIC OR PRIVATE NONPROFIT ORGANIZATIONS.

"(a) **IN GENERAL.**—The Corporation may make grants under section 112(b)(1) to public and private nonprofit organizations that—

"(1) have experience with service-learning;

"(2) were in existence 1 year before the date on which the organization submitted an application under section 114(a); and

"(3) meet such other criteria as the Chairperson may establish.

"(b) **USE OF FUNDS.**—Such organizations may use grants made under subsection (a) to make grants to partnerships described in paragraph (2) or (4) of section 111(a) to implement, operate, or expand school-based service-learning programs as described in such section and provide technical assistance and training to appropriate persons.

"SEC. 112. GRANTS AND ALLOTMENTS.

"(a) **INDIAN TRIBES AND TERRITORIES.**—Of the amounts appropriated to carry out this subpart for any fiscal year, the Corporation shall reserve an amount of not more than 1 percent for payments to Indian tribes, the Virgin Islands of the United States, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands, to be allotted in accordance with their respective needs. The Corporation may also make payments from such amount to Palau, in accordance with its needs, until such time as the Compact of Free Association with Palau is ratified.

"(b) **GRANTS AND ALLOTMENTS THROUGH STATES.**—The Corporation shall use the remainder of the funds appropriated to carry out this subpart for any fiscal year as follows:

"(1) **GRANTS.**—Except as provided in paragraph (3), from 25 percent of such funds, the Corporation may make grants, on a competitive basis, to—

"(A) State educational agencies and Indian tribes; or

"(B) as described in section 111B, to grantmaking entities.

"(2) **ALLOTMENTS.**—

"(A) **SCHOOL-AGE YOUTH.**—Except as provided in paragraph (3), from 37.5 percent of such funds, the Corporation shall allot to each State an amount that bears the same ratio to 37.5 percent of such funds as the number of school-age youth in the State bears to the total number of school-age youth of all States.

"(B) **ALLOCATION UNDER ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965.**—Except as provided in paragraph (3), from 37.5 percent of such funds, the Corporation shall allot to each State an amount that bears the same ratio to 37.5 percent of such funds as the allocation to the State for the previous fiscal year under chapter 1 of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2711 et seq.) bears to such allocations to all States.

"(3) **MINIMUM AMOUNT.**—No State shall receive, under paragraph (2), an allotment that is less than the allotment such State received for fiscal year 1993 under section 112(b) of this Act, as in effect on the day before the date of enactment of this part. If the amount of funds made available in a fiscal year to carry out paragraph (2) is insufficient to make such allotments, the Corporation shall make available sums from the 25 percent described in paragraph (1) for such fiscal year to make such allotments.

"(4) **DEFINITION.**—Notwithstanding section 101(25), for purposes of this subsection, the term 'State' means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, and an Indian tribe.

"(c) **REALLOTMENT.**—If the Corporation determines that the allotment of a State or Indian tribe under this section will not be required for a fiscal year because the State or Indian tribe does not submit an application for the allotment under section 113 that meets the requirements of this section and such other requirements as the Chairperson may determine to be appropriate, the Corporation shall, after making any grants under section 111A to a partnership or agency described in such section, make any remainder of such allotment available for reallocation to such other States, and Indian tribes, with approved applications submitted under section 113, as the Corporation may determine to be appropriate.

"(d) **EXCEPTION.**—Notwithstanding subsections (a) and (b), if less than \$20,000,000 is appropriated for any fiscal year to carry out this subpart, the Corporation shall award grants to States and Indian tribes, from the amount so appropriated, on a competitive basis to pay for the Federal share of the activities described in section 111.

"SEC. 113. STATE OR TRIBAL APPLICATIONS.

"(a) **SUBMISSION.**—To be eligible to receive a grant under section 112(b)(1), an allotment under subsection (a) or (b)(2) of section 112, a reallocation under section 112(c), or a grant under section 112(d), a State, acting through the State educational agency, or an Indian tribe, shall prepare, submit to the Corporation, and obtain approval of, an application at such time and in such manner as the Chairperson may reasonably require.

"(b) **CONTENTS.**—An application that is submitted under subsection (a) with respect to service-learning programs described in section 111 shall include—

"(1) a 3-year strategic plan, or a revision of a previously approved 3-year strategic plan, for promoting service-learning through the programs, which plan shall contain such information as the Chairperson may reasonably require, such as—

"(A) a description of the goals to be attained in promoting service-learning through such programs;

"(B) a description of the resources and organization needed to achieve the goals of such programs within elementary schools and secondary schools; and

"(C) a description of the manner in which—

"(i) such programs and the activities to be carried out under such programs relate to the goals described in subparagraph (A);

"(ii) the applicant will evaluate the success of the programs and the extent of community in-

volvement in the programs, and measure the extent to which the programs meet the goals described in subparagraph (A);

"(iii) in reviewing applications submitted under section 114(c), the applicant has ranked the applications according to the criteria described in section 115(b), has considered the factors described in section 115(a), and has reviewed the applications in a manner that ensured the equitable treatment of all such applications;

"(iv) the programs will be coordinated with—

"(I) the education reform efforts of the applicant;

"(II) other efforts to meet the National Education Goals;

"(III) other service activities in the State or serving the Indian tribe; and

"(IV) other education programs, training programs, social service programs, and appropriate programs that serve school-age youth, that are authorized under Federal law;

"(v) the applicant will disseminate information, conduct outreach, and take other measures, to encourage cooperative efforts among the local educational agencies, local government agencies, community-based agencies, State agencies, and private for-profit businesses that will carry out the service-learning programs proposed by the applicant, to develop and provide projects, including those that involve the participation of urban, suburban, and rural students working together;

"(vi) the applicant will promote appropriate projects in such programs for economically disadvantaged students, students with limited basic skills, students in foster care who are becoming too old for foster care, students of limited English proficiency, homeless students, and students with disabilities;

"(vii) service-learning training and technical assistance will be provided through the programs—

"(I) to State and local educational agency personnel, federally assisted education specialists in the State or serving the Indian tribe, and local recipients of grants under this subpart, to raise the awareness of service-learning among such personnel, specialists, and recipients; and

"(II) by qualified and experienced individuals employed by the State or Indian tribe or through grants or contracts with such individuals;

"(viii) a service-learning network will be established for the State or Indian tribe, comprised of expert teachers and administrators who have carried out successful service-learning activities within the State or serving the Indian tribe; and

"(ix) the applicant will use payments from sources described in section 116(a)(2)(B) to expand projects for students through the programs proposed by the applicant;

"(2) assurances that—

"(A) the applicant will keep such records and provide such information to the Corporation with respect to the programs as may be required for fiscal audits and program evaluation; and

"(B) the applicant will comply with the non-duplication and nondisplacement requirements of section 177; and

"(3) such additional information as the Chairperson may reasonably require.

"SEC. 114. LOCAL APPLICATIONS.

"(a) **APPLICATION TO CORPORATION TO MAKE GRANTS FOR SCHOOL-BASED SERVICE-LEARNING PROGRAMS.**—

"(1) **IN GENERAL.**—To be eligible to receive a grant in accordance with section 111B(a) to make grants relating to school-based service-learning programs described in section 111(a)(2), a grantmaking entity shall prepare, submit to the Corporation, and obtain approval of, an application.

"(2) **SUBMISSION.**—Such application shall be submitted at such time and in such manner, and shall contain such information, as the Chairperson may reasonably require. Such application shall include a proposal to assist such programs in more than 1 State.

"(b) **DIRECT APPLICATION TO CORPORATION TO CARRY OUT SCHOOL-BASED SERVICE-LEARNING PROGRAMS IN NONPARTICIPATING STATES.**—To be eligible to receive a grant from the Corporation in the circumstances described in section 111A to carry out an activity described in such section, a partnership or agency described in such section shall prepare, submit to the Corporation, and obtain approval of, an application. Such application shall be submitted at such time and in such manner, and shall contain such information, as the Chairperson may reasonably require.

"(c) **APPLICATION TO STATE OR INDIAN TRIBE TO RECEIVE ASSISTANCE TO CARRY OUT SCHOOL-BASED SERVICE-LEARNING PROGRAMS.**—

"(1) **IN GENERAL.**—Any—

"(A) qualified organization that desires to receive financial assistance under this subpart from a State or Indian tribe for an activity described in section 111(a)(1);

"(B) partnership described in section 111(a)(2) that desires to receive such assistance from a State, Indian tribe, or grantmaking entity for an activity described in section 111(a)(2);

"(C) agency described in section 111(a)(3) that desires to receive such assistance from a State or Indian tribe for an activity described in such section; or

"(D) partnership described in section 111(a)(4) that desires to receive such assistance from a State or Indian tribe for an activity described in such section,

to be carried out through a service-learning program described in section 111, shall prepare, submit to the State educational agency, Indian tribe, or grantmaking entity, and obtain approval of, an application for the program.

"(2) **SUBMISSION.**—Such application shall be submitted at such time and in such manner, and shall contain such information, as the agency, tribe, or entity may reasonably require.

"(d) **CONTENTS OF APPLICATION.**—An application that is submitted under subsection (a), (b), or (c) with respect to a service-learning program described in section 111 shall, at a minimum, contain a proposal that includes—

"(1) information specifying the membership and role of an established advisory committee, consisting of representatives of community-based agencies including service recipients, students, parents, teachers, administrators, representatives of agencies that serve school-age youth or older adults, school board members, representatives of local labor organizations, and representatives of business, that will provide advice with respect to the program;

"(2) a description of—

"(A) the goals of the program which shall include goals that are quantifiable and demonstrate any benefits from the program to participants and the community;

"(B) service-learning projects to be provided under the program, and evidence that participants will make a sustained commitment to service in the projects;

"(C) the manner in which participants in the program were or will be involved in the design and operation of the program;

"(D) training for supervisors, teachers, service sponsors, and participants in the program;

"(E) the manner in which exemplary service will be recognized under the program; and

"(F) any resources that will permit continuation of the program, if needed, after the assistance received under this subpart for the program has ended;

"(3) information that shall include—

"(A) a disclosure of whether or not the participants will receive academic credit for participation in the program;

"(B) the expected number of participants in the program and the hours of service that such participants will provide individually and as a group;

"(C) the proportion of expected participants in the program who are economically disadvantaged, including participants with disabilities; and

"(D) any role of adult volunteers in implementing the program, and the manner in which such volunteers will be recruited;

"(4) in the case of an application submitted by a local partnership, a written agreement, between the members of the local partnership, stating that the program was jointly developed by the members and that the program will be jointly executed by the members; and

"(5) assurances that—

"(A) prior to the placement of a participant, the entity carrying out the program will consult with any local labor organization representing employees in the area who are engaged in the same or similar work as that proposed to be carried out by such program, to prevent the displacement and protect the rights of such employees;

"(B) the entity carrying out the program will develop an age-appropriate learning component for participants in the program that shall include a chance for participants to analyze and apply their service experiences; and

"(C) the entity carrying out the program will comply with the nonduplication and non-displacement requirements of section 177 and grievance procedure requirements of section 176(f).

"SEC. 115. **CONSIDERATION OF APPLICATIONS.**

"(a) **CRITERIA FOR APPLICATIONS.**—In approving applications for financial assistance under subsection (a), (b), (c), or (d) of section 112, the Corporation shall consider such criteria with respect to sustainability, replicability, innovation, and quality of programs under this subpart as the Chairperson may by regulation specify. In providing assistance under this subpart, a State educational agency, Indian tribe, or grantmaking entity shall consider such criteria.

"(b) **PRIORITY FOR LOCAL APPLICATIONS.**—

"(1) **IN GENERAL.**—In providing assistance under this subpart, a State educational agency or Indian tribe, or the Corporation if section 111A or 111B applies, shall give priority to entities that submit applications under section 114 with respect to service-learning programs described in section 111 that—

"(A) involve participants in the design and operation of the program;

"(B) are in the greatest need of assistance, such as programs targeting low-income areas;

"(C) involve—

"(i) students from public elementary or secondary schools, and students from private elementary or secondary schools, serving together; or

"(ii) students of different ages, races, sexes, ethnic groups, disabilities, or economic backgrounds, serving together; or

"(D) are integrated into the academic program of the participants.

"(c) **REJECTION OF APPLICATIONS.**—If the Corporation rejects an application submitted by a State under section 113 for an allotment under subsection (b)(2) of section 112, the Corporation shall promptly notify the State of the reasons for the rejection of the application. The Corporation shall provide the State with a reasonable opportunity to revise and resubmit the application and shall provide technical assistance, if needed, to the State as part of the resubmission process. The Corporation shall promptly reconsider such resubmitted application.

"SEC. 115A. **PARTICIPATION OF STUDENTS AND TEACHERS FROM PRIVATE SCHOOLS.**

"(a) **IN GENERAL.**—To the extent consistent with the number of students in the State or Indian tribe or in the school district of the local educational agency involved who are enrolled in private nonprofit elementary and secondary schools, such State, Indian tribe, or agency shall (after consultation with appropriate private school representatives) make provision—

"(1) for the inclusion of services and arrangements for the benefit of such students so as to allow for the equitable participation of such students in the programs implemented to carry out the objectives and provide the benefits described in this subpart; and

"(2) for the training of the teachers of such students so as to allow for the equitable participation of such teachers in the programs implemented to carry out the objectives and provide the benefits described in this subpart.

"(b) **WAIVER.**—If a State, Indian tribe, or local educational agency is prohibited by law from providing for the participation of students or teachers from private nonprofit schools as required by subsection (a), or if the Corporation determines that a State, Indian tribe, or local educational agency substantially fails or is unwilling to provide for such participation on an equitable basis, the Chairperson shall waive such requirements and shall arrange for the provision of services to such students and teachers. Such waivers shall be subject to consultation, withholding, notice, and judicial review requirements in accordance with paragraphs (3) and (4) of section 1017(b) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2727(b)).

"SEC. 116. **FEDERAL, STATE, AND LOCAL CONTRIBUTIONS.**

"(a) **SHARE.**—

"(1) **IN GENERAL.**—The Federal share attributable to this subpart of the cost of carrying out a program for which a grant or allotment is made under this subpart may not exceed—

"(A) 90 percent of the total cost of the program for the first year for which the program receives assistance under this subpart;

"(B) 80 percent of the total cost of the program for the second year for which the program receives assistance under this subpart;

"(C) 70 percent of the total cost of the program for the third year for which the program receives assistance under this subpart; and

"(D) 50 percent of the total cost of the program for the fourth year, and for any subsequent year, for which the program receives assistance under this subpart.

"(2) **CALCULATION.**—In providing for the remaining share of the cost of carrying out such a program, each recipient of assistance under this subpart—

"(A) shall provide for such share through a payment in cash or in kind, fairly evaluated, including facilities, equipment, or services; and

"(B) may provide for such share through State sources, local sources, or Federal sources (other than funds made available under the national service laws).

"(b) **WAIVER.**—The Chairperson may waive the requirements of subsection (a) in whole or in part with respect to any such program in any fiscal year if the Corporation determines that such a waiver would be equitable due to a lack of available financial resources at the local level.

"SEC. 116A. **LIMITATIONS ON USES OF FUNDS.**

"(a) **ADMINISTRATIVE COSTS.**—

"(1) **LIMITATION.**—Not more than 5 percent of the amount of assistance provided to a State educational agency, Indian tribe, or grantmaking entity that is the original recipient of a grant or allotment under subsection (a), (b), (c), or (d) of section 112 for a fiscal year may be

used to pay for administrative costs incurred by—

“(A) the original recipient; or

“(B) the entity carrying out the service-learning programs supported with the assistance.

“(2) RULES ON USE.—The Chairperson may by rule prescribe the manner and extent to which—

“(A) such assistance may be used to cover administrative costs; and

“(B) that portion of the assistance available to cover administrative costs should be distributed between—

“(i) the original recipient; and

“(ii) the entity carrying out the service-learning programs supported with the assistance.

“(b) CAPACITY-BUILDING ACTIVITIES.—Not less than 10 percent and not more than 15 percent of the amount of assistance provided to a State educational agency or Indian tribe that is the original recipient of a grant or allotment under subsection (a), (b), (c), or (d) of section 112 for a fiscal year may be used to build capacity through training, technical assistance, curriculum development, and coordination activities, described in section 111(a)(1).

“(c) LOCAL USES OF FUNDS.—Funds made available under this subpart may not be used to pay any stipend, allowance, or other financial support to any student who is a participant under this subtitle, except reimbursement for transportation, meals, and other reasonable out-of-pocket expenses directly related to participation in a program assisted under this subpart.

“SEC. 116B. DEFINITIONS.

“As used in this subpart:

“(1) GRANTMAKING ENTITY.—The term ‘grantmaking entity’ means an organization described in section 111B(a).

“(2) SCHOOL-BASED.—The term ‘school-based’ means based in an elementary school or a secondary school.

“(3) STUDENT.—Notwithstanding section 101(28), the term ‘student’ means an individual who is enrolled in an elementary or secondary school on a full- or part-time basis.

“Subpart B—Community-Based Service Programs for School-Age Youth

“SEC. 117. DEFINITIONS.

“As used in this subpart:

“(1) COMMUNITY-BASED SERVICE PROGRAM.—The term ‘community-based service program’ means a program described in section 117A(b)(1)(A).

“(2) GRANTMAKING ENTITY.—The term ‘grantmaking entity’ means a qualified organization that—

“(A) submits an application under section 117C(a) to make grants to qualified organizations; and

“(B) was in existence 1 year before the date on which the organization submitted the application.

“(3) QUALIFIED ORGANIZATION.—The term ‘qualified organization’ means a public or private nonprofit organization with experience working with school-age youth that meets such criteria as the Chairperson may establish.

“SEC. 117A. GENERAL AUTHORITY.

“(a) GRANTS.—From the funds appropriated to carry out this subpart for a fiscal year, the Corporation may make grants to State commissions, grantmaking entities, and qualified organizations to pay for the Federal share of the implementation, operation, expansion, or replication of community-based service programs.

“(b) USE OF FUNDS.—

“(1) STATE COMMISSIONS AND GRANTMAKING ENTITIES.—A State Commission or grantmaking entity may use a grant made under subsection (a)—

“(A) to make a grant to a qualified organization to implement, operate, expand, or replicate a community-based service-learning program

that provides for meaningful human, educational, environmental, or public safety service by participants, who shall be school-age youth; or

“(B) to provide training and technical assistance to such an organization.

“(2) QUALIFIED ORGANIZATIONS.—A qualified organization, other than a grantmaking entity, may use a grant made under subsection (a) to implement, operate, expand, or replicate a program described in paragraph (1)(A).

“SEC. 117B. STATE APPLICATIONS.

“(a) IN GENERAL.—To be eligible to receive a grant under section 117A(a), a State Commission shall prepare, submit to the Corporation, and obtain approval of, an application.

“(b) SUBMISSION.—Such application shall be submitted to the Corporation at such time and in such manner, and shall contain such information, as the Chairperson may reasonably require.

“(c) CONTENTS.—Such an application shall include, at a minimum, a State plan that contains the descriptions, proposals, and assurance described in section 117C(d) with respect to each community-based service program proposed to be carried out through funding distributed by the State Commission under this subpart.

“SEC. 117C. LOCAL APPLICATIONS.

“(a) APPLICATION TO CORPORATION TO MAKE GRANTS FOR COMMUNITY-BASED SERVICE PROGRAMS.—To be eligible to receive a grant from the Corporation under section 117A(a) to make grants under section 117A(b)(1), a grantmaking entity shall prepare, submit to the Corporation, and obtain approval of, an application that proposes a community-based service program to be carried out through grants made to qualified organizations. Such application shall be submitted at such time and in such manner, and shall contain such information, as the Chairperson may reasonably require.

“(b) DIRECT APPLICATION TO CORPORATION TO CARRY OUT COMMUNITY-BASED SERVICE PROGRAMS.—To be eligible to receive a grant from the Corporation under section 117A(a) to implement, operate, expand, or replicate a community service program, a qualified organization shall prepare, submit to the Corporation, and obtain approval of, an application that proposes a community-based service program to be carried out at multiple sites, or that proposes an innovative community-based service program. Such application shall be submitted at such time and in such manner, and shall contain such information, as the Chairperson may reasonably require.

“(c) APPLICATION TO STATE COMMISSION OR GRANTMAKING ENTITY TO RECEIVE GRANTS TO CARRY OUT COMMUNITY-BASED SERVICE PROGRAMS.—To be eligible to receive a grant from a State Commission or grantmaking entity under section 117A(b)(1), a qualified organization shall prepare, submit to the Commission or entity, and obtain approval of, an application. Such application shall be submitted at such time and in such manner, and shall contain such information, as the Commission or entity may reasonably require.

“(d) REQUIREMENTS OF APPLICATION.—An application submitted under subsection (a), (b), or (c) shall, at a minimum, contain—

“(1) a description of any community-based service program proposed to be implemented, operated, expanded, or replicated directly by the applicant using assistance provided under this subpart;

“(2) a description of any grant program proposed to be conducted by the applicant with assistance provided under this subpart to support a community-based service program;

“(3) a proposal for carrying out the community-based service program that describes the manner in which the entity carrying out the program will—

“(A) provide preservice and inservice training, for supervisors and participants, that will be conducted by qualified individuals, or qualified organizations, that have experience in community-based service programs;

“(B) include economically disadvantaged individuals as participants in the program proposed by the applicant;

“(C) provide an age-appropriate service-learning component described in section 114(d)(5)(B);

“(D) conduct an appropriate evaluation of the program;

“(E) provide for appropriate community involvement in the program;

“(F) provide service experiences that promote leadership abilities among participants in the program, including experiences that involve such participants in program design;

“(G) involve participants in projects approved by community-based agencies;

“(H) establish and measure progress toward the goals of the program; and

“(I) organize participants in the program into teams, if appropriate, with team leaders who may be participants in a program under subtitle C or individuals who receive a national service educational award under subtitle D; and

“(4) an assurance that the entity carrying out the program proposed by the applicant will comply with the nonduplication and nondisplacement provisions of section 177 and grievance procedure requirements of section 176(f).

“SEC. 117D. CONSIDERATION OF APPLICATIONS.

“(a) APPLICATION OF CRITERIA.—The Corporation shall apply the criteria described in subsection (b) in determining whether to approve an application submitted under section 117B or under subsection (a) or (b) of section 117C and to provide assistance under section 117A to the applicant on the basis of the application.

“(b) ASSISTANCE CRITERIA.—In evaluating such an application with respect to a program under this subpart, the Corporation shall consider the criteria established for national service programs under section 133(c).

“(c) APPLICATION TO SUBGRANTS.—A State Commission or grantmaking entity shall apply the criteria described in subsection (b) in determining whether to approve an application under section 117C(c) and to make a grant under section 117A(b)(1) to the applicant on the basis of the application.

“SEC. 117E. FEDERAL, STATE, AND LOCAL CONTRIBUTIONS.

“(a) FEDERAL SHARE.—

“(1) IN GENERAL.—The Federal share attributable to this subpart of the cost of carrying out a program for which a grant is made under this subpart may not exceed the percentage specified in subparagraph (A), (B), (C), or (D) of section 116(a)(1), as appropriate.

“(2) CALCULATION.—Each recipient of assistance under this subpart shall comply with section 116(a)(2).

“(b) WAIVER.—The Chairperson may waive the requirements of subsection (a), in whole or in part, as provided in section 116(b).

“SEC. 117F. LIMITATIONS ON USES OF FUNDS.

“(a) ADMINISTRATIVE COSTS.—Not more than 5 percent of the amount of assistance provided to a State Commission, grantmaking entity, or qualified organization that is the original recipient of a grant under section 117A(a) for a fiscal year may be used to pay for administrative costs incurred by—

“(1) the original recipient; or

“(2) the entity carrying out the community-based service programs supported with the assistance.

“(b) RULES ON USE.—The Chairperson may by rule prescribe the manner and extent to which—

“(1) such assistance may be used to cover administrative costs; and

"(2) that portion of the assistance available to cover administrative costs should be distributed between—

"(A) the original recipient; and

"(B) the entity carrying out the community-based service programs supported with the assistance.

"Subpart C—Clearinghouse

"SEC. 118. SERVICE-LEARNING CLEARINGHOUSE.

"(a) IN GENERAL.—The Corporation shall provide financial assistance, from funds appropriated to carry out subtitle H, to agencies described in subsection (b) to establish a clearinghouse, which shall carry out activities, either directly or by arrangement with another such entity, with respect to information about service-learning.

"(b) PUBLIC AND PRIVATE NONPROFIT AGENCIES.—Public and private nonprofit agencies that have extensive experience with service-learning, including use of adult volunteers to foster service-learning, shall be eligible to receive assistance under subsection (a).

"(c) FUNCTION OF CLEARINGHOUSE.—An entity that receives assistance under subsection (a) may—

"(1) assist entities carrying out State or local service-learning programs with needs assessments and planning;

"(2) conduct research and evaluations concerning service-learning;

"(3)(A) provide leadership development and training to State and local service-learning program administrators, supervisors, service sponsors, and participants; and

"(B) provide training to persons who can provide the leadership development and training described in subparagraph (A);

"(4) facilitate communication among entities carrying out service-learning programs and participants in such programs;

"(5) provide information, curriculum materials, and technical assistance relating to planning and operation of service-learning programs, to States and local entities eligible to receive financial assistance under this title;

"(6) provide information regarding methods to make service-learning programs accessible to individuals with disabilities;

"(7)(A) gather and disseminate information on successful service-learning programs, components of such successful programs, innovative youth skills curricula related to service-learning, and service-learning projects; and

"(B) coordinate the activities of the Clearinghouse with appropriate entities to avoid duplication of effort;

"(8) make recommendations to State and local entities on quality controls to improve the quality of service-learning programs;

"(9) assist organizations in recruiting, screening, and placing service-learning coordinators; and

"(10) carry out such other activities as the Chairperson determines to be appropriate."

(b) HIGHER EDUCATION INNOVATIVE PROJECTS.—Subtitle B of title I of the National and Community Service Act of 1990 (42 U.S.C. 12531 et seq.) is amended by striking part II and inserting the following:

"PART II—HIGHER EDUCATION INNOVATIVE PROGRAMS FOR COMMUNITY SERVICE

"SEC. 119. HIGHER EDUCATION INNOVATIVE PROGRAMS FOR COMMUNITY SERVICE.

"(a) PURPOSE.—It is the purpose of this part to expand participation in community service by supporting innovative community service programs carried out through institutions of higher education, acting as civic institutions to meet the human, educational, environmental, or public safety needs of neighboring communities.

"(b) GENERAL AUTHORITY.—The Corporation, in consultation with the Secretary of Education,

is authorized to make grants to, and enter into contracts with, institutions of higher education (including a combination of such institutions), and partnerships comprised of such institutions and of other public agencies or nonprofit private organizations, to pay for the Federal share of the cost of—

"(1) enabling such an institution or partnership to create or expand an organized community service program that—

"(A) engenders a sense of social responsibility and commitment to the community in which the institution is located; and

"(B) provides projects for participants, who shall be students, faculty, administration, or staff of the institution, or residents of the community;

"(2) supporting student-initiated and student-designed community service projects through the program;

"(3) facilitating the integration of community service carried out under the program into academic curricula, including integration of clinical programs into the curriculum for students in professional schools, so that students can obtain credit for their community service projects;

"(4) supplementing the funds available to carry out work-study programs under part C of title IV of the Higher Education Act of 1965 (42 U.S.C. 2751 et seq.) to support service-learning and community service through the community service program;

"(5) strengthening the service infrastructure within institutions of higher education in the United States through the program; and

"(6) providing for the training of teachers, prospective teachers, related education personnel, and community leaders in the skills necessary to develop, supervise, and organize service-learning.

"(c) FEDERAL SHARE.—

"(1) SHARE.—

"(A) IN GENERAL.—The Federal share of the cost of carrying out a community service project for which a grant or contract is awarded under this part may not exceed 50 percent.

"(B) CALCULATION.—Each recipient of assistance under this part shall comply with section 116(a)(2).

"(2) WAIVER.—The Chairperson may waive the requirements of paragraph (1), in whole or in part, as provided in section 116(b).

"(d) APPLICATION FOR GRANT.—

"(1) SUBMISSION.—To receive a grant or enter into a contract under this part, an institution or partnership described in subsection (b) shall prepare, submit to the Corporation, and obtain approval of, an application at such time and in such manner as the Chairperson may reasonably require.

"(2) CONTENTS.—An application submitted under paragraph (1) shall contain—

"(A) such information as the Chairperson may reasonably require, such as a description of—

"(i) the proposed program to be established with assistance provided under the grant or contract;

"(ii) the human, educational, environmental, or public safety service that participants will perform and the community need that will be addressed under such program;

"(iii) whether or not students will receive academic credit for community service projects under the program;

"(iv) the procedure for training supervisors and participants and for supervising and organizing participants in such program;

"(v) the procedures to ensure that the program includes the age-appropriate learning component described in section 114(d)(5)(B);

"(vi) the roles played by students and community members, including service recipients, in the design and implementation of the program; and

"(vii) the budget for the program;

"(B) assurances that—

"(i) prior to the placement of a participant, the applicant will consult with any local labor organization representing employees in the area who are engaged in the same or similar work as that proposed to be carried out by such program, to prevent the displacement and protect the rights of such employees; and

"(ii) the applicant will comply with the non-duplication and nondisplacement provisions of section 177 and grievance procedure requirements of section 176(f); and

"(C) such other assurances as the Chairperson may reasonably require.

"(e) PRIORITY.—

"(1) IN GENERAL.—In making grants and entering into contracts under subsection (b), the Corporation shall give priority to applicants that submit applications containing proposals that—

"(A) demonstrate the commitment of the institution of higher education, other than by demonstrating the commitment of the students, to supporting the community service projects carried out under the program;

"(B) specify the manner in which the institution will promote faculty, administration, and staff participation in the community service projects;

"(C) specify the manner in which the institution will provide service to the community through organized programs, including, where appropriate, clinical programs for students in professional schools;

"(D) describe any partnership that will participate in the community service projects, such as a partnership comprised of—

"(i) the institution;

"(ii)(I) a community-based agency;

"(II) a local government agency; or

"(III) a nonprofit entity that serves or involves school-age youth or older adults; and

"(iii) a student organization;

"(E) demonstrate community involvement in the development of the proposal;

"(F) specify that the institution will use such assistance to strengthen the service infrastructure in institutions of higher education; or

"(G) with respect to projects involving delivery of service, specify projects that involve leadership development of school-age youth.

"(2) DETERMINATION.—In giving priority to applicants under paragraph (1), the Corporation shall give increased priority to such an applicant for each characteristic described in subparagraphs (A) through (G) of paragraph (1) that is reflected in the application submitted by the applicant.

"(f) NATIONAL SERVICE EDUCATIONAL AWARD.—A participant in a program funded under this part shall be eligible for the national service educational award described in subtitle D, if the participant served in an approved national service position.

"(g) DEFINITION.—Notwithstanding section 101(28), as used in this part, the term 'student' means an individual who is enrolled in an institution of higher education on a full- or part-time basis.

"PART III—GENERAL PROVISIONS

"SEC. 120. AVAILABILITY OF APPROPRIATIONS.

"Of the aggregate amount appropriated to carry out this subtitle for each fiscal year—

"(1) a sum equal to 75 percent of such aggregate amount shall be available to carry out part I, of which—

"(A) 85 percent of such sum shall be available to carry out subpart A; and

"(B) 15 percent of such sum shall be available to carry out subpart B; and

"(2) a sum equal to 25 percent of such aggregate amount shall be available to carry out part II."

(c) TABLE OF CONTENTS.—Section 1(b) of the National and Community Service Act of 1990 (Public Law 101-610; 104 Stat. 3127) is amended by striking the items relating to subtitle B of title I of such Act and inserting the following:

"Subtitle B—School-Based and Community-Based Service-Learning Programs

"PART I—SERVE-AMERICA PROGRAMS

"SUBPART A—SCHOOL-BASED PROGRAMS FOR STUDENTS

"Sec. 111. Authority to assist States and Indian tribes.

"Sec. 111A. Authority to assist local applicants in nonparticipating States.

"Sec. 111B. Authority to assist public or private nonprofit organizations.

"Sec. 112. Grants and allotments.

"Sec. 113. State or tribal applications.

"Sec. 114. Local applications.

"Sec. 115. Consideration of applications.

"Sec. 115A. Participation of students and teachers from private schools.

"Sec. 116. Federal, State, and local contributions.

"Sec. 116A. Limitations on uses of funds.

"Sec. 116B. Definitions.

"SUBPART B—COMMUNITY-BASED SERVICE PROGRAMS FOR SCHOOL-AGE YOUTH

"Sec. 117. Definitions.

"Sec. 117A. General authority.

"Sec. 117B. State applications.

"Sec. 117C. Local applications.

"Sec. 117D. Consideration of applications.

"Sec. 117E. Federal, State, and local contributions.

"Sec. 117F. Limitations on uses of funds.

"SUBPART C—CLEARINGHOUSE

"Sec. 118. Service-learning clearinghouse.

"PART II—HIGHER EDUCATION INNOVATIVE PROGRAMS FOR COMMUNITY SERVICE

"Sec. 119. Higher education innovative programs for community service.

"PART III—GENERAL PROVISIONS

"Sec. 120. Availability of appropriations."

SEC. 104. QUALITY AND INNOVATION ACTIVITIES.

(a) REPEAL.—Subtitle E of title I of the National and Community Service Act of 1990 (42 U.S.C. 12591 et seq.) is repealed.

(b) TRANSFER.—Title I of the National and Community Service Act of 1990 (42 U.S.C. 12501 et seq.) is amended—

(1) by redesignating subtitle H (42 U.S.C. 12653 et seq.) as subtitle E;

(2) by inserting subtitle E (as redesignated by paragraph (1) of this subsection) after subtitle D; and

(3) by redesignating sections 195 through 195O as sections 151 through 166, respectively.

(c) INVESTMENT FOR QUALITY AND INNOVATION.—Title I of the National and Community Service Act of 1990 is further amended by adding before subtitle I (as transferred by section 101(a) of this Act) the following new subtitle:

"Subtitle H—Investment for Quality and Innovation

"SEC. 198. ADDITIONAL CORPORATION ACTIVITIES TO SUPPORT NATIONAL SERVICE.

"(a) METHODS OF CONDUCTING ACTIVITIES.—The Corporation may carry out this section directly or through grants, contracts, and cooperative agreements with other entities.

"(b) INNOVATION AND QUALITY IMPROVEMENT.—

"(1) ACTIVITIES.—The Corporation may undertake activities to improve the quality of national service programs and to support innovative and model programs, including—

"(A) programs under subtitle B or C for rural youth;

"(B) employer-based retiree programs;

"(C) intergenerational programs;

"(D) programs involving and integrating individuals with disabilities as participants providing service; and

"(E) programs sponsored by Governors.

"(2) INTERGENERATIONAL PROGRAM.—An intergenerational program referred to in paragraph (1)(C) may include a program in which older adults provide services to children who participate in Head Start programs.

"(c) SUMMER PROGRAMS.—The Corporation may support service programs intended to be carried out between May 1 and October 1, except that such a program may also include a year-round component.

"(d) COMMUNITY-BASED AGENCIES.—The Corporation may provide training and technical assistance and other assistance to service sponsors and other community-based agencies that provide volunteer placements in order to improve the ability of such agencies to use participants and other volunteers in a manner that results in high-quality service and a positive service experience for the participants and volunteers.

"(e) IMPROVE ABILITY TO APPLY FOR ASSISTANCE.—The Corporation shall provide training and technical assistance to individuals, programs, local labor organizations, State educational agencies, State commissions, local educational agencies, local governments, community-based agencies, and other entities to enable them to apply for funding under one of the national service laws, to conduct high-quality programs, to evaluate such programs, and for other purposes.

"(f) NATIONAL SERVICE FELLOWSHIPS.—The Corporation may award national service fellowships.

"(g) CONFERENCES AND MATERIALS.—The Corporation may organize and hold conferences, and prepare and publish materials, to disseminate information and promote the sharing of information among programs for the purpose of improving the quality of programs and projects.

"(h) PEACE CORPS AND VISTA TRAINING.—The Corporation may provide training assistance to selected individuals who volunteer to serve in the Peace Corps or a program authorized under title I of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4951 et seq.). The training shall be provided as part of the course of study of the individual at an institution of higher education, shall involve service-learning, and shall cover appropriate skills that the individual will use in the Peace Corps or VISTA.

"(i) PROMOTION AND RECRUITMENT.—The Corporation may conduct a campaign to solicit funds for the National Service Trust and other programs and activities authorized under the national service laws and to promote and recruit participants for programs that receive assistance under the national service laws.

"(j) TRAINING.—The Corporation may support national and regional participant and supervisor training, including leadership training and training in specific types of service and in building the ethic of civic responsibility.

"(k) RESEARCH.—The Corporation may support research on national service, including service-learning.

"(l) INTERGENERATIONAL SUPPORT.—The Corporation may assist programs in developing a service component that combines students, out-of-school youths, and older adults as participants to provide needed community services.

"(m) PLANNING COORDINATION.—The Corporation may coordinate community-wide planning among programs and projects.

"(n) YOUTH LEADERSHIP.—The Corporation may support activities to enhance the ability of youth and young adults to play leadership roles in national service.

"(o) NATIONAL PROGRAM IDENTITY.—The Corporation may support the development and dis-

semination of materials, including training materials, and arrange for uniforms and insignia, designed to promote unity and shared features among programs that receive assistance under the national service laws.

"(p) SERVICE-LEARNING.—The Corporation shall support innovative programs and activities that promote service-learning.

"SEC. 198A. CLEARINGHOUSES.

"(a) ASSISTANCE.—The Corporation shall provide assistance to appropriate entities to establish one or more clearinghouses, including the clearinghouse described in section 118.

"(b) APPLICATION.—To be eligible to receive assistance under subsection (a), an entity shall submit an application to the Corporation at such time, in such manner, and containing such information as the Corporation may require.

"(c) FUNCTION OF CLEARINGHOUSES.—An entity that receives assistance under subsection (a) may—

"(1) assist entities carrying out State or local community service programs with needs assessments and planning;

"(2) conduct research and evaluations concerning community service;

"(3)(A) provide leadership development and training to State and local community service program administrators, supervisors, and participants; and

"(B) provide training to persons who can provide the leadership development and training described in subparagraph (A);

"(4) facilitate communication among entities carrying out community service programs and participants;

"(5) provide information, curriculum materials, technical assistance relating to planning and operation of community service programs, to States and local entities eligible to receive funds under this title;

"(6)(A) gather and disseminate information on successful community service programs, components of such successful programs, innovative youth skills curriculum, and community service projects; and

"(B) coordinate the activities of the clearinghouse with appropriate entities to avoid duplication of effort;

"(7) make recommendations to State and local entities on quality controls to improve the delivery of community service programs and on changes in the programs under this title; and

"(8) carry out such other activities as the Chairperson determines to be appropriate.

"SEC. 198B. PRESIDENTIAL AWARDS FOR SERVICE.

"(a) PRESIDENTIAL AWARDS.—

"(1) IN GENERAL.—The President, acting through the Corporation, may make Presidential awards for service to individuals providing significant service, and to outstanding service programs.

"(2) INDIVIDUALS AND PROGRAMS.—Notwithstanding section 101(17)—

"(A) an individual receiving an award under this subsection need not be a participant in a program authorized under this Act; and

"(B) a program receiving an award under this subsection need not be a program authorized under this Act.

"(3) NATURE OF AWARD.—In making an award under this section to an individual or program, the President, acting through the Corporation—

"(A) is authorized to incur necessary expenses for the honorary recognition of the individual or program; and

"(B) is not authorized to make a cash award to such individual or program.

"(b) INFORMATION.—The President, acting through the Corporation, shall ensure that information concerning individuals and programs receiving awards under this section is widely disseminated.

"SEC. 198C. ASSISTANCE FOR HEAD START."

"Under section 198, the Corporation may make grants to, and contracts and cooperative agreements with, public and nonprofit private agencies and organizations that receive grants and contracts under the Foster Grandparent Program (part B of title II of the Domestic Volunteer Service Act of 1973), for projects of the type described in section 211(a) of such Act operating under memoranda of agreement with the ACTION Agency, for the purpose of increasing the number of low-income individuals who provide services under such program to children who participate in Head Start programs."

(d) TABLE OF CONTENTS.—

(1) **CIVILIAN COMMUNITY CORPS.**—Section 1(b) of the National and Community Service Act of 1990 (Public Law 101-610; 104 Stat. 3127) is amended by striking the items relating to subtitle E of title I of such Act and inserting the following:

- "Subtitle E—Civilian Community Corps
- "Sec. 151. Purpose.
- "Sec. 152. Establishment of Civilian Community Corps Demonstration Program.
- "Sec. 153. National service program.
- "Sec. 154. Summer national service program.
- "Sec. 155. Civilian Community Corps.
- "Sec. 156. Training.
- "Sec. 157. Service projects.
- "Sec. 158. Authorized benefits for Corps members.
- "Sec. 159. Administrative provisions.
- "Sec. 160. Status of Corps members and Corps personnel under Federal law.
- "Sec. 161. Contract and grant authority.
- "Sec. 162. Responsibilities of other departments.
- "Sec. 163. Advisory board.
- "Sec. 164. Annual evaluation.
- "Sec. 165. Funding limitation.
- "Sec. 166. Definitions."

(2) **QUALITY AND INNOVATION.**—Section 1(b) of the National and Community Service Act of 1990 (Public Law 101-610; 104 Stat. 3127) is amended by striking the items relating to subtitle H of title I of such Act and inserting the following:

- "Subtitle H—Investment for Quality and Innovation
- "Sec. 198. Additional corporation activities to support national service.
- "Sec. 198A. Clearinghouses.
- "Sec. 198B. Presidential awards for service.
- "Sec. 198C. Assistance for Head Start."

(e) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) **NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1993.**—

(A) Section 1091(f)(2) of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102-484) is amended by striking "195G" and inserting "158".

(B) Paragraphs (1) and (2) of section 1092(b), and sections 1092(c), 1093(a), and 1094(a) of such Act are amended by striking "195A" and inserting "152".

(C) Sections 1091(f)(2), 1092(b)(1), and 1094(a), and subsections (a) and (c) of section 1095 of such Act are amended by striking "subtitle H" and inserting "subtitle E".

(D) Section 1094(b)(1) and subsections (b) and (c)(1) of section 1095 of such Act are amended by striking "subtitles B, C, D, E, F, and G" and inserting "subtitles B, C, D, F, G, and H".

(2) **NATIONAL AND COMMUNITY SERVICE ACT OF 1990.**—

(A) Section 153(a) of the National and Community Service Act of 1990 (as redesignated in subsection (b)(3) of this section) (42 U.S.C. 12653b(a)) is amended by striking "195A(a)" and inserting "152(a)".

(B) Section 154(a) of such Act (as redesignated in subsection (b)(3) of this section) (42 U.S.C. 12653c(a)) is amended by striking "195A(a)" and inserting "152(a)".

(C) Section 155 of such Act (as redesignated in subsection (b)(3) of this section) (42 U.S.C. 12653d) is amended—

- (i) in subsection (a), by striking "195H(c)(1)" and inserting "159(c)(1)";
 - (ii) in subsection (c)(2), by striking "195H(c)(2)" and inserting "159(c)(2)"; and
 - (iii) in subsection (d)(3), by striking "195K(a)(3)" and inserting "162(a)(3)".
- (D) Section 156 of such Act (as redesignated in subsection (b)(3) of this section) (42 U.S.C. 12653e) is amended—

- (i) in subsection (c)(1), by striking "195H(c)(2)" and inserting "159(c)(2)"; and
 - (ii) in subsection (d), by striking "195K(a)(3)" and inserting "162(a)(3)".
- (E) Section 159 of such Act (as redesignated in subsection (b)(3) of this section) (42 U.S.C. 12653h) is amended—

- (i) in subsection (a)—
- (I) by striking "195A" and inserting "152"; and
- (II) by striking "195" and inserting "151"; and
- (ii) in subsection (c)(2)(C)(i), by striking "195K(a)(2)" and inserting "162(a)(2)".

(F) Section 161(b)(1)(B) of such Act (as redesignated in subsection (b)(3) of this section) (42 U.S.C. 12653j(b)(1)(B)) is amended by striking "195K(a)(3)" and inserting "162(a)(3)".

(G) Section 162(a)(2)(A) of such Act (as redesignated in subsection (b)(3) of this section) (42 U.S.C. 12653k(a)(2)(A)) is amended by striking "195(3)" and inserting "151(3)".

(H) Section 166 of such Act (as redesignated in subsection (b)(3) of this section) (42 U.S.C. 12653o) is amended—

- (i) in paragraph (2), by striking "195D" and inserting "155";
- (ii) in paragraph (8), by striking "195A" and inserting "152";
- (iii) in paragraph (10), by striking "195D(d)" and inserting "155(d)"; and
- (iv) in paragraph (11), by striking "195D(c)" and inserting "155(c)".

(f) **EXTENSION OF AUTHORITY TO CONDUCT CIVILIAN COMMUNITY CORPS.**—Section 1092(c) of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102-484; 106 Stat. 2534), as amended by subsection (e)(1) of this section, is further amended by adding at the end the following new sentence: "The amount made available for the Civilian Community Corps Demonstration Program pursuant to this subsection shall remain available for expenditure during fiscal years 1993 and 1994."

(g) **ADDITIONAL AMENDMENT REGARDING CIVILIAN COMMUNITY CORPS.**—Section 158 of the National and Community Service Act of 1990 (as redesignated in subsection (b)(3) of this section) (42 U.S.C. 12653g) is amended by striking subsections (f), (g), and (h) and inserting the following new subsections:

"(f) **NATIONAL SERVICE EDUCATIONAL AWARDS.**—A Corps member who successfully completes a period of agreed service in the Corps may receive the national service educational award described in subtitle D if the Corps member—

- "(1) serves in an approved national service position; and
- "(2) satisfies the eligibility requirements specified in section 146 with respect to service in that approved national service position.

"(g) **ALTERNATIVE BENEFIT.**—If a Corps member who successfully completes a period of agreed service in the Corps is ineligible for the national service educational award described in subtitle D, the Director may provide for the provision of a suitable alternative benefit for the Corps member."

SEC. 105. PUBLIC LANDS CORPS.

Public Law 91-378 (16 U.S.C. 1701-1706; commonly known as the Youth Conservation Corps Act of 1970) is amended—

(1) by inserting before section 1 the following: **"TITLE I—YOUTH CONSERVATION CORPS";**

(2) by striking "Act" each place it appears and inserting "title";

(3) by redesignating sections 1 through 6 as sections 101 through 106, respectively;

(4) in section 102 (as so redesignated), by inserting "in this title" after "hereinafter" in subsection (a);

(5) in section 104 (as so redesignated), by striking "section 6" in subsection (d) and inserting "section 106"; and

(6) by adding at the end the following new title:

"TITLE II—PUBLIC LANDS CORPS**"SEC. 201. SHORT TITLE.**

"This title may be cited as the 'Public Lands Corps Act of 1993'."

"SEC. 202. CONGRESSIONAL FINDINGS AND PURPOSE.

"(a) **FINDINGS.**—The Congress finds the following:

"(1) Conserving or developing natural and cultural resources and enhancing and maintaining environmentally important lands and waters through the use of the Nation's young men and women in a Public Lands Corps can benefit those men and women by providing them with education and work opportunities, furthering their understanding and appreciation of the natural and cultural resources, and providing a means to pay for higher education or to repay indebtedness they have incurred to obtain higher education while at the same time benefiting the Nation's economy and its environment.

"(2) Many facilities and natural resources located on eligible service lands are in disrepair or degraded and in need of labor intensive rehabilitation, restoration, and enhancement work which cannot be carried out by Federal agencies at existing personnel levels.

"(3) Youth conservation corps have established a good record of restoring and maintaining these kinds of facilities and resources in a cost effective and efficient manner, especially when they have worked in partnership arrangements with government land management agencies.

"(b) **PURPOSE.**—It is the purpose of this title to—

"(1) perform, in a cost-effective manner, appropriate conservation projects on eligible service lands where such projects will not be performed by existing employees;

"(2) assist governments and Indian tribes in performing research and public education tasks associated with natural and cultural resources on eligible service lands;

"(3) expose young men and women to public service while furthering their understanding and appreciation of the nation's natural and cultural resources;

"(4) expand educational opportunities by rewarding individuals who participate in national service with an increased ability to pursue higher education or job training; and

"(5) stimulate interest among the nation's young men and women in conservation careers by exposing them to conservation professionals in land managing agencies.

"SEC. 203. DEFINITIONS.

"For purposes of this title:

"(1) The term 'appropriate conservation project' means any project for the conservation, restoration, construction or rehabilitation of natural, cultural, historic, archaeological, recreational, or scenic resources.

"(2) The terms 'Corps' and 'Public Lands Corps' mean the Public Lands Corps established under section 204.

"(3) The term 'eligible service lands' means public lands, Indian lands, and Hawaiian home lands.

"(4) The term 'Hawaiian home lands' means all lands given the status of Hawaiian home lands under section 204 of the Hawaiian Homes Commission Act, 1920 (42 Stat. 110), or under the corresponding provision of the Constitution of the State of Hawaii adopted under section 4 of the Act entitled 'An Act to provide for the admission of the State of Hawaii into the Union', approved March 18, 1959 (Public Law 86-3; 73 Stat. 5).

"(5) The term 'Indian tribe' means an Indian tribe, band, nation, or other organized group or community, including any Native village, Regional Corporation, or Village Corporation, as defined in subsection (c), (g), or (j), respectively, of section 3 of the Alaska Native Claims Settlement Act (43 U.S.C. 1602 (c), (g), or (j)), that is recognized as eligible for the special programs and services provided by the United States under Federal law to Indians because of their status as Indians.

"(6) The term 'Indian' means a person who is a member of an Indian tribe.

"(7) The term 'Indian lands' means—

"(A) any Indian reservation;

"(B) any public domain Indian allotments;

"(C) any former Indian reservation in the State of Oklahoma;

"(D) any land held by incorporated Native groups, regional corporations, and village corporations under the Alaska Native Claims Settlement Act (43 U.S.C. 1701 et seq.); and

"(E) any land held by dependent Indian communities within the borders of the United States whether within the original or subsequently acquired territory thereof, and whether within or without the limits of a State.

"(8) The term 'public lands' means any lands or waters (or interest therein) owned or administered by the United States, except that such term does not include any Indian lands.

"(9) The term 'qualified youth or conservation corps' means any program established by a State or local government, by the governing body of any Indian tribe, or by a nonprofit organization that—

"(A) is capable of offering meaningful, full-time, productive work for individuals between the ages of 16 and 25, inclusive, in a natural or cultural resource setting;

"(B) gives participants a mix of work experience, basic and life skills, education, training, and support services; and

"(C) provides participants with the opportunity to develop citizenship values and skills through service to their community and the United States.

"(10) The term 'resource assistant' means a resource assistant selected under section 206.

"(11) The term 'State' means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands of the United States, American Samoa, and the Commonwealth of the Northern Mariana Islands.

"SEC. 204. PUBLIC LANDS CORPS PROGRAM.

"(a) ESTABLISHMENT OF PUBLIC LANDS CORPS.—There is hereby established in the Department of the Interior and the Department of Agriculture a Public Lands Corps.

"(b) PARTICIPANTS.—The Corps shall consist of individuals between the ages of 16 and 25, inclusive, who are enrolled as participants in the Corps by the Secretary of the Interior or the Secretary of Agriculture. To be eligible for enrollment in the Corps, an individual shall satisfy the criteria specified in section 137(b) of the National and Community Service Act of 1990. The Secretaries may enroll such individuals in the Corps without regard to the civil service and classification laws, rules, or regulations of the United States. The Secretaries may establish a preference for the enrollment in the Corps of individuals who are economically, physically, or educationally disadvantaged.

"(c) QUALIFIED YOUTH OR CONSERVATION CORPS.—The Secretary of the Interior and the Secretary of Agriculture are authorized to enter into contracts and cooperative agreements with any qualified youth or conservation corps to perform appropriate conservation projects referred to in subsection (d).

"(d) PROJECTS TO BE CARRIED OUT.—The Secretary of the Interior and the Secretary of Agriculture may each utilize the Corps or any qualified youth or conservation corps to carry out appropriate conservation projects which such Secretary is authorized to carry out under other authority of law on public lands. Appropriate conservation projects may also be carried out under this title on Indian lands with the approval of the Indian tribe involved and on Hawaiian home lands with the approval of the Department of Hawaiian Home Lands of the State of Hawaii.

"(e) PREFERENCE FOR CERTAIN PROJECTS.—In selecting appropriate conservation projects to be carried out under this title, the Secretary of the Interior and the Secretary of Agriculture shall give preference to those projects which—

"(1) will provide long-term benefits to the public;

"(2) will instill in the enrollee involved a work ethic and a sense of public service;

"(3) will be labor intensive;

"(4) can be planned and initiated promptly; and

"(5) will provide academic, experiential, or environmental education opportunities.

"(f) CONSISTENCY.—Each appropriate conservation project carried out under this title on eligible service lands shall be consistent with the provisions of law and policies relating to the management and administration of such lands, with all other applicable provisions of law, and with all management, operational, and other plans and documents which govern the administration of the area.

"SEC. 205. CONSERVATION CENTERS.

"(a) ESTABLISHMENT AND USE.—The Secretary of the Interior and the Secretary of Agriculture are each authorized to provide such quarters, board, medical care, transportation, and other services, facilities, supplies, and equipment as such Secretary deems necessary in connection with the Public Lands Corps and appropriate conservation projects carried out under this title and to establish and use conservation centers owned and operated by such Secretary for purposes of the Corps and such projects. The Secretaries shall establish basic standards of health, nutrition, sanitation, and safety for all conservation centers established under this section and shall assure that such standards are enforced. Where necessary or appropriate, the Secretaries may enter into contracts and other appropriate arrangements with State and local government agencies and private organizations for the management of such conservation centers.

"(b) LOGISTICAL SUPPORT.—The Secretary of the Interior and the Secretary of Agriculture may make arrangements with the Secretary of Defense to have logistical support provided by the Armed Forces to the Corps and any conservation center established under this section, where feasible. Logistical support may include the provision of temporary tent shelters where needed, transportation, and residential supervision.

"(c) USE OF MILITARY INSTALLATIONS.—The Secretary of the Interior and the Secretary of Agriculture may make arrangements with the Secretary of Defense to identify military installations and other facilities of the Department of Defense and, in consultation with the adjutant generals of the State National Guards, National Guard facilities that may be used, in whole or in part, by the Corps for training or housing Corps participants.

"SEC. 206. RESOURCE ASSISTANTS.

"(a) AUTHORIZATION.—The Secretary of the Interior and the Secretary of Agriculture are each authorized to provide individual placements of resource assistants with any Federal land managing agency under the jurisdiction of such Secretary to carry out research or resource protection activities on behalf of the agency. To be eligible for selection as a resource assistant, an individual must be at least 17 years of age. The Secretaries may select resource assistants without regard to the civil service and classification laws, rules, or regulations of the United States. The Secretaries shall give a preference to the selection of individuals who are enrolled in an institution of higher education or are recent graduates from an institution of higher education, with particular attention given to ensure full representation of women and participants from historically black, Hispanic, and Native American schools.

"(b) USE OF EXISTING NONPROFIT ORGANIZATIONS.—Whenever one or more existing nonprofit organizations can provide, in the judgment of the Secretary of the Interior or the Secretary of Agriculture, appropriate recruitment and placement services to fulfill the requirements of this section, the Secretary may implement this section through such existing organizations. Participating nonprofit organizations shall contribute to the expenses of providing and supporting the resource assistants, through private sources of funding, at a level equal to 25 percent of the total costs of each participant in the Resource Assistant program who has been recruited and placed through that organization. Any such participating nonprofit conservation service organization shall be required, by the respective land managing agency, to submit an annual report evaluating the scope, size, and quality of the program, including the value of work contributed by the Resource Assistants, to the mission of the agency.

"SEC. 207. LIVING ALLOWANCES AND TERMS OF SERVICE.

"(a) LIVING ALLOWANCES.—The Secretary of the Interior and the Secretary of Agriculture shall provide each participant in the Public Lands Corps and each resource assistant with a living allowance in an amount not to exceed the maximum living allowance authorized by section 140(a)(3) of the National and Community Service Act of 1990 for participants in a national service program assisted under subtitle C of title I of such Act.

"(b) TERMS OF SERVICE.—Each participant in the Corps and each resource assistant shall agree to participate in the Corps or serve as a resource assistant, as the case may be, for such term of service as may be established by the Secretary enrolling or selecting the individual.

"SEC. 208. NATIONAL SERVICE EDUCATIONAL AWARDS.

"(a) EDUCATIONAL BENEFITS AND AWARDS.—If a participant in the Public Lands Corps or a resource assistant also serves in an approved national service position designated under subtitle C of title I of the National and Community Service Act of 1990, the participant or resource assistant shall be eligible for a national service educational award in the manner prescribed in subtitle D of such title upon successfully complying with the requirements for the award. The period during which the national service educational award may be used, the purposes for which the award may be used, and the amount of the award shall be determined as provided under such subtitle.

"(b) FORBEARANCE IN THE COLLECTION OF STAFFORD LOANS.—For purposes of section 428 of the Higher Education Act of 1965, in the case of borrowers who are either participants in the Corps or resource assistants, upon written request, a lender shall grant a borrower forbearance on such terms as are otherwise consistent

with the regulations of the Secretary of Education, during periods in which the borrower is serving as such a participant or a resource assistant.

"SEC. 209. NONDISPLACEMENT.

"The nondisplacement requirements of section 177 of the National and Community Service Act of 1990 shall be applicable to all activities carried out by the Public Lands Corps, to all activities carried out under this title by a qualified youth or conservation corps, and to the selection and service of resource assistants.

"SEC. 210. FUNDING.

"(a) COST SHARING.—

"(1) **PROJECTS BY QUALIFIED YOUTH OR CONSERVATION CORPS.**—The Secretary of the Interior and the Secretary of Agriculture are each authorized to pay not more than 75 percent of the costs of any appropriate conservation project carried out pursuant to this title on public lands by a qualified youth or conservation corps. The remaining 25 percent of the costs of such a project may be provided from nonfederal sources in the form of funds, services, facilities, materials, equipment, or any combination of the foregoing. No cost sharing shall be required in the case of any appropriate conservation project carried out on Indian lands or Hawaiian home lands under this title.

"(2) **PUBLIC LANDS CORPS PROJECTS.**—The Secretary of the Interior and the Secretary of Agriculture are each authorized to accept donations of funds, services, facilities, materials, or equipment for the purposes of operating the Public Lands Corps and carrying out appropriate conservation projects by the Corps. However, nothing in this title shall be construed to require any cost sharing for any project carried out directly by the Corps.

"(b) **FUNDS AVAILABLE UNDER NATIONAL AND COMMUNITY SERVICE ACT.**—In order to carry out the Public Lands Corps or to support resource assistants and qualified youth or conservation corps under this title, the Secretary of the Interior and the Secretary of Agriculture shall be eligible to apply for and receive assistance under section 121(b) of the National and Community Service Act of 1990.

"(c) **AUTHORIZATION OF APPROPRIATIONS.**—There are authorized to be appropriated such sums as may be necessary to carry out this title."

SEC. 106. URBAN YOUTH CORPS.

(a) **FINDINGS.**—The Congress finds the following:

(1) The rehabilitation, reclamation, and beautification of urban public housing, recreational sites, youth and senior centers, and public roads and public works facilities through the efforts of young people in the United States in an Urban Youth Corps can benefit these youths, while also benefiting their communities, by—

(A) providing them with education and work opportunities;

(B) furthering their understanding and appreciation of the challenges faced by individuals residing in urban communities; and

(C) providing them with a means to pay for higher education or to repay indebtedness they have incurred to obtain higher education.

(2) A significant number of housing units for low-income individuals in urban areas has become substandard and unsafe and the deterioration of urban roadways, mass transit systems, and transportation facilities in the United States have contributed to the blight encountered in many cities in the United States.

(3) As a result, urban housing, public works, and transportation resources are in need of labor intensive rehabilitation, reclamation, and beautification work that has been neglected in the past and cannot be adequately carried out by Federal, State, and local government at existing personnel levels.

(4) Urban youth corps have established a good record of rehabilitating, reclaiming, and beautifying these kinds of resources in a cost efficient manner, especially when they have worked in partnership with government housing, public works, and transportation authorities and agencies.

(b) **PURPOSE.**—It is the purpose of this section—

(1) to perform, in a cost-effective manner, appropriate service projects to rehabilitate, reclaim, beautify, and improve public housing and public works and transportation facilities and resources in urban areas suffering from high rates of poverty where work will not be performed by existing employees;

(2) to assist government housing, public works, and transportation authorities and agencies;

(3) to expose young people in the United States to public service while furthering their understanding and appreciation of their community;

(4) to expand educational opportunity for individuals who participate in the Urban Youth Corps established by this section by providing them with an increased ability to pursue post-secondary education or job training; and

(5) to stimulate interest among young people in the United States in lifelong service to their communities and the United States.

(c) **DEFINITIONS.**—For purposes of this section:

(1) The term "appropriate service project" means any project for the rehabilitation, reclamation, or beautification of urban public housing and public works and transportation resources or facilities.

(2) The term "Corps" and "Urban Youth Corps" mean the Urban Youth Corps established under subsection (d)(1).

(3) The term "qualified urban youth corps" means any program established by a State or local government or by a nonprofit organization that—

(A) is capable of offering meaningful, full-time, productive work for individuals between the ages of 16 and 25, inclusive, in an urban or public works or transportation setting;

(B) gives participants a mix of work experience, basic and life skills, education, training, and support services; and

(C) provides participants with the opportunity to develop citizenship values and skills through service to their communities and the United States.

(4) The term "State" means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands of the United States, American Samoa, and the Commonwealth of the Northern Mariana Islands.

(d) **ESTABLISHMENT OF URBAN YOUTH CORPS.**—

(1) **ESTABLISHMENT.**—There is hereby established in the appropriate executive departments of the Federal Government an Urban Youth Corps. The Corps shall consist of individuals between the ages of 16 and 25, inclusive, who are enrolled as participants in the Corps by the Secretaries of such departments. To be eligible for enrollment in the Corps, an individual shall satisfy the criteria specified in section 139(b) of the National and Community Service Act of 1990. The Secretaries may enroll such individuals in the Corps without regard to the civil service and classification laws, rules, or regulations of the United States. The Secretaries may establish a preference for the enrollment in the Corps of individuals who are economically, physically, or educationally disadvantaged.

(2) **USE OF QUALIFIED URBAN YOUTH CORPS.**—The Secretaries are authorized to enter into contracts and cooperative agreements with any qualified urban youth corps to perform appro-

priate service projects described in paragraph (3).

(3) **SERVICE PROJECTS.**—The Secretaries may each utilize the Corps or any qualified urban youth corps to carry out appropriate service projects that the Secretary involved is authorized to carry out under other authority of law involving public housing projects or public works resources or facilities.

(4) **PREFERENCE FOR CERTAIN PROJECTS.**—In selecting an appropriate service project to be carried out under this section, the Secretaries shall give a preference to those projects which—

(A) will provide long-term benefits to the public;

(B) will instill in the participant a work ethic and a sense of public service;

(C) will be labor intensive;

(D) can be planned and initiated promptly; and

(E) will provide academic, experiential, or community education opportunities.

(5) **CONSISTENCY.**—Each appropriate service project carried out under this section in any public housing project or public works resource or facility shall be consistent with the provisions of law and policies relating to the management and administration of such projects, facilities, or resources, with all other applicable provisions of law, and with all management, operational, and other plans and documents which govern the administration of such projects, facilities, or resources.

(e) **LIVING ALLOWANCES.**—The Secretaries shall provide each participant in the Urban Youth Corps with a living allowance in an amount not to exceed the maximum living allowance authorized by section 140(a)(3) of the National and Community Service Act of 1990 for participants in a national service program assisted under subtitle C of title I of such Act.

(f) **TERMS OF SERVICE.**—Each participant in the Urban Youth Corps shall agree to participate in the Corps for a term of service established by the Secretary involved, consistent with the terms of service required under section 139(b) of the National and Community Service Act of 1990 for participants in a national service program assisted under subtitle C of title I of such Act.

(g) **EDUCATIONAL AWARDS.**—

(1) **ELIGIBILITY.**—Each participant in the Urban Youth Corps shall be eligible for a national service educational award in the manner prescribed in subtitle D of title I of the National and Community Service Act of 1990 if such participant complies with such requirements as may be established under this subtitle by the Secretary involved respecting eligibility for the award. The period during which the award may be used, the purposes for which the award may be used, and the amount of the award shall be determined as provided under such subtitle.

(2) **FORBEARANCE IN THE COLLECTION OF STAFFORD LOANS.**—For purposes of section 428 of the Higher Education Act of 1965, in the case of borrowers who are participants in the Urban Youth Corps, upon written request, a lender shall grant a borrower forbearance on such terms as are otherwise consistent with the regulations of the Secretary of Education, during periods in which the borrower is serving as such a participant and eligible for a national service educational award under paragraph (1).

(h) **NONDISPLACEMENT.**—The nondisplacement requirements of section 177 of the National and Community Service Act of 1990 shall be applicable to all activities carried out by the Urban Youth Corps and to all activities carried out under this section by a qualified urban youth corps.

(i) **COST SHARING.**—

(1) **PROJECTS BY QUALIFIED URBAN YOUTH CORPS.**—The Secretaries are each authorized to

pay not more than 75 percent of the costs of any appropriate service project carried out pursuant to this section by a qualified urban youth corps. The remaining 25 percent of the costs of such a project may be provided from nonfederal sources in the form of funds, services, facilities, materials, equipment, or any combination of the foregoing.

(2) **DONATIONS.**—The Secretaries are each authorized to accept donations of funds, services, facilities, materials, or equipment for the purposes of operating the Urban Youth Corps and carrying out appropriate service projects by the Corps. However, nothing in this section shall be construed to require any cost sharing for any project carried out directly by the Corps.

(3) **FUNDS AVAILABLE UNDER NATIONAL AND COMMUNITY SERVICE ACT.**—In order to carry out the Urban Youth Corps or to support qualified urban youth corps under this section, the Secretaries shall be eligible to apply for and receive assistance under section 121(b) of the National and Community Service Act of 1990.

(4) **AUTHORIZATION OF APPROPRIATIONS.**—There are authorized to be appropriated such sums as may be necessary to carry out this section.

Subtitle B—Related Provisions

SEC. 111. DEFINITIONS.

(a) **IN GENERAL.**—Section 101 of the National and Community Service Act of 1990 (42 U.S.C. 12511) is amended to read as follows:

"SEC. 101. DEFINITIONS.

"For purposes of this title:

"(1) **ADULT VOLUNTEER.**—The term 'adult volunteer' means an individual, such as an older adult, an individual with a disability, a parent, or an employee of a business or public or private nonprofit agency, who—

"(A) works without financial remuneration in an educational institution to assist students or out-of-school youth; and

"(B) is beyond the age of compulsory school attendance in the State in which the educational institution is located.

"(2) **APPROVED NATIONAL SERVICE POSITION.**—The term 'approved national service position' means a national service position designated by the Corporation as a position that includes a national service educational award described in section 147 as one of the benefits to be provided for successful service in the position.

"(3) **CARRY OUT.**—The term 'carry out', when used in connection with a national service program described in section 122, means the planning, establishment, operation, expansion, or replication of the program.

"(4) **CHAIRPERSON.**—The term 'Chairperson' means the Chairperson and Director of the Corporation appointed under section 193.

"(5) **COMMUNITY-BASED AGENCY.**—The term 'community-based agency' means a private nonprofit organization (including a church or other religious entity) that—

"(A) is representative of a community or a significant segment of a community; and

"(B) is engaged in meeting human, educational, environmental, or public safety community needs.

"(6) **CORPORATION.**—The term 'Corporation' means the Corporation for National Service established under section 191.

"(7) **ECONOMICALLY DISADVANTAGED.**—The term 'economically disadvantaged' means, with respect to an individual, an individual who is determined by the Chairperson to be low-income according to the latest available data from the Department of Commerce.

"(8) **ELEMENTARY SCHOOL.**—The term 'elementary school' has the same meaning given such term in section 1471(8) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2891(8)).

"(9) **INDIAN.**—The term 'Indian' means a person who is a member of an Indian tribe.

"(10) **INDIAN LANDS.**—The term 'Indian lands' means—

"(A) any Indian reservation;

"(B) any public domain Indian allotments;

"(C) any former Indian reservation in the State of Oklahoma;

"(D) any land held by incorporated Native groups, regional corporations, and village corporations under the Alaska Native Claims Settlement Act (43 U.S.C. 1701 et seq.); and

"(E) any land held by dependent Indian communities within the borders of the United States whether within the original or subsequently acquired territory thereof, and whether within or without the limits of a State.

"(11) **INDIAN TRIBE.**—The term 'Indian tribe' means an Indian tribe, band, nation, or other organized group or community, including any Native village, Regional Corporation, or Village Corporation, as defined in subsection (c), (g), or (j), respectively, of section 3 of the Alaska Native Claims Settlement Act (43 U.S.C. 1602 (c), (g), or (j)), that is recognized as eligible for the special programs and services provided by the United States under Federal law to Indians because of their status as Indians.

"(12) **INSTITUTION OF HIGHER EDUCATION.**—The term 'institution of higher education' has the same meaning given such term in section 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a)).

"(13) **LOCAL EDUCATIONAL AGENCY.**—The term 'local educational agency' has the same meaning given such term in section 1471(12) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2891(12)).

"(14) **NATIONAL SERVICE LAWS.**—The term 'national service laws' means this Act and the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4950 et seq.).

"(15) **OUT-OF-SCHOOL YOUTH.**—The term 'out-of-school youth' means an individual who—

"(A) has not attained the age of 27;

"(B) has not completed college or the equivalent thereof; and

"(C) is not enrolled in an elementary or secondary school or institution of higher education.

"(16) **PARTICIPANT.**—

"(A) **IN GENERAL.**—The term 'participant' means—

"(i) for purposes of subtitle C, an individual in an approved national service position; and

"(ii) for purposes of any other provision of this Act, an individual enrolled in a program that receives assistance under this title.

"(B) **RULE.**—A participant shall not be considered to be an employee of the program in which the participant is enrolled.

"(17) **PARTNERSHIP PROGRAM.**—The term 'partnership program' means a program through which an adult volunteer, a public or private nonprofit agency, an institution of higher education, or a business assists a local educational agency.

"(18) **PROGRAM.**—The term 'program', except when used as part of the term 'academic program', means a program described in section 111(a) (other than a program referred to in paragraph (3)(B) of such section), 117A(a), 119(b)(1), or 122(a), in paragraph (1) or (2) of section 152(b), or in section 198.

"(19) **PROJECT.**—The term 'project' means an activity, carried out through a program that receives assistance under this title, that results in a specific identifiable service or improvement that otherwise would not be done with existing funds, and that does not duplicate the routine services or functions of the employer to whom participants are assigned.

"(20) **SCHOOL-AGE YOUTH.**—The term 'school-age youth' means an individual who is—

"(A) between the ages of 5 and 17, inclusive; or

"(B) a child with a disability covered by the Individuals with Disabilities Education Act (20 U.S.C. 1400 et seq.).

"(21) **SECONDARY SCHOOL.**—The term 'secondary school' has the same meaning given such term in section 1471(21) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2891(21)).

"(22) **SERVICE-LEARNING.**—The term 'service-learning' means a method—

"(A) under which students or participants learn and develop through active participation in thoughtfully organized service that—

"(i) is conducted in and meets the needs of a community;

"(ii) is coordinated with an elementary school, secondary school, institution of higher education, or community service program, and with the community; and

"(iii) helps foster civic responsibility; and

"(B) that—

"(i) is integrated into and enhances the academic curriculum of the students, or the educational components of the community service program in which the participants are enrolled; and

"(ii) provides structured time for the students or participants to reflect on the service experience.

"(23) **SERVICE-LEARNING COORDINATOR.**—The term 'service-learning coordinator' means an individual who provides services as described in section subsection (a)(3) or (b) of section 111.

"(24) **SERVICE SPONSOR.**—The term 'service sponsor' means an organization, or other entity, that has been selected to provide a placement for a participant.

"(25) **STATE.**—The term 'State' means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands of the United States, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands. The term also includes Palau, until such time as the Compact of Free Association is ratified.

"(26) **STATE COMMISSION.**—The term 'State Commission' means a State Commission on National Service maintained by a State pursuant to section 178. Except when used in section 178, the term includes an alternative administrative entity for a State approved by the Corporation under such section to act in lieu of a State Commission.

"(27) **STATE EDUCATIONAL AGENCY.**—The term 'State educational agency' has the same meaning given such term in section 1471(23) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2891(23)).

"(28) **STUDENT.**—The term 'student' means an individual who is enrolled in an elementary or secondary school or institution of higher education on a full- or part-time basis."

(b) **TECHNICAL AND CONFORMING AMENDMENTS.**—

(1) Section 182(a)(2) of the National and Community Service Act of 1990 (42 U.S.C. 12642(a)(2)) is amended by striking "adult volunteer and partnership" each place the term appears and inserting "partnership".

(2) Section 182(a)(3) of the National and Community Service Act of 1990 (42 U.S.C. 12642(a)(3)) is amended by striking "adult volunteer and partnership" and inserting "partnership".

(3) Section 441(c)(2) of the Higher Education Act of 1965 (42 U.S.C. 2751(c)(2)) is amended by striking "service opportunities or youth corps as defined in section 101 of the National and Community Service Act of 1990, and service in the agencies, institutions and activities designated in section 124(a) of the National and Community Service Act of 1990" and inserting "a project, as defined in section 101(19) of the National and Community Service Act of 1990 (42 U.S.C. 12511(19))".

(4) Section 1122(a)(2)(C) of the Higher Education Act of 1965 (20 U.S.C. 1137a(a)(2)(C)) is amended by striking "youth corps as defined in section 101(30) of the National and Community Service Act of 1990" and inserting "youth corps programs, as described in section 122(a)(1) of the National and Community Service Act of 1990".

(5) Section 1201(p) of the Higher Education Act of 1965 (20 U.S.C. 1141(p)) is amended by striking "section 101(22) of the National and Community Service Act of 1990" and inserting "section 101(22) of the National and Community Service Act of 1990 (42 U.S.C. 12511(21))".

SEC. 112. AUTHORITY TO MAKE STATE GRANTS.

Section 102 of the National and Community Service Act of 1990 (42 U.S.C. 12512) is repealed.

SEC. 113. FAMILY AND MEDICAL LEAVE.

(a) IN GENERAL.—Section 171 of the National and Community Service Act of 1990 (42 U.S.C. 12631) is amended to read as follows:

"SEC. 171. FAMILY AND MEDICAL LEAVE.

"(a) PARTICIPANTS IN PRIVATE, STATE, AND LOCAL PROJECTS.—For purposes of title 1 of the Family and Medical Leave Act of 1993 (29 U.S.C. 2601 et seq.), if—

"(1) a participant has provided service for the period required by section 101(2)(A)(i) (29 U.S.C. 2611(2)(A)(i)), and has met the hours of service requirement of section 101(2)(A)(ii), of such Act with respect to a project; and

"(2) the service sponsor of the project is an employer described in section 101(4) of such Act (other than an employing agency within the meaning of subchapter V of chapter 63 of title 5, United States Code),

the participant shall be considered to be an eligible employee of the service sponsor.

"(b) PARTICIPANTS IN FEDERAL PROJECTS.—For purposes of subchapter V of chapter 63 of title 5, United States Code, if—

"(1) a participant has provided service for the period required by section 6381(1)(B) of such title with respect to a project; and

"(2) the service sponsor of the project is an employing agency within the meaning of such subchapter,

the participant shall be considered to be an employee of the service sponsor."

(b) TABLE OF CONTENTS.—Section 1(b) of the National and Community Service Act of 1990 (Public Law 101-610; 104 Stat. 3127) is amended by striking the item relating to section 171 of such Act and inserting the following:

"Sec. 171. Family and medical leave."

SEC. 114. REPORTS.

Section 172 of the National and Community Service Act of 1990 (42 U.S.C. 12632) is amended—

(1) in subsection (a)(3)(A), by striking "sections 177 and 113(9)" and inserting "section 177"; and

(2) in subsection (b)(1), by striking "this title" and inserting "the national service laws".

SEC. 115. NONDISCRIMINATION.

Section 175 of the National and Community Service Act of 1990 (42 U.S.C. 12635) is amended to read as follows:

"SEC. 175. NONDISCRIMINATION.

"(a) IN GENERAL.—

"(1) BASIS.—An individual with responsibility for the operation of a project that receives assistance under this title shall not discriminate against a participant in, or member of the staff of, such project on the basis of race, color, national origin, sex, age, or political affiliation of such participant or member, or on the basis of disability, if the participant or member is a qualified individual with a disability.

"(2) DEFINITION.—As used in paragraph (1), the term 'qualified individual with a disability' has the meaning given the term in section 101(8) of the Americans with Disabilities Act of 1990 (42 U.S.C. 12111(8)).

"(b) FEDERAL FINANCIAL ASSISTANCE.—Any assistance provided under this title shall constitute Federal financial assistance for purposes of title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.), title IX of the Education Amendments of 1972 (20 U.S.C. 1681 et seq.), section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), and the Age Discrimination Act of 1975 (42 U.S.C. 6101 et seq.).

"(c) RELIGIOUS DISCRIMINATION.—

"(1) IN GENERAL.—Except as provided in paragraph (2), an individual with responsibility for the operation of a project that receives assistance under this title shall not discriminate on the basis of religion against a participant in such project or a member of the staff of such project who is paid with funds received under this title.

"(2) EXCEPTION.—Paragraph (1) shall not apply to the employment, with assistance provided under this title, of any member of the staff, of a project that receives assistance under this title, who was employed with the organization operating the project on the date the grant under this title was awarded.

"(d) RULES AND REGULATIONS.—The Chairperson shall promulgate rules and regulations to provide for the enforcement of this section that shall include provisions for summary suspension of assistance for not more than 30 days, on an emergency basis, until notice and an opportunity to be heard can be provided."

SEC. 116. NOTICE, HEARING, AND GRIEVANCE PROCEDURES.

(a) DECERTIFICATION OF POSITIONS.—Section 176(a) of the National and Community Service Act of 1990 (42 U.S.C. 12636(a)) is amended—

(1) in paragraph (1), by inserting "or revoke the designation of positions, related to the grant or contract, as approved national service positions," before "whenever the Commission"; and

(2) in paragraph (2)(B), by inserting "or revoked" after "terminated".

(b) CONSTRUCTION.—Section 176(e) of such Act (42 U.S.C. 12636(e)) is amended by adding before the period the following "other than assistance provided pursuant to this Act".

(c) GRIEVANCE PROCEDURE.—Section 176(f) of such Act is amended to read as follows:

"(f) GRIEVANCE PROCEDURE.—

"(1) IN GENERAL.—A State or local applicant that receives assistance under this title shall establish and maintain a procedure for the filing and adjudication of grievances from participants, labor organizations, and other interested individuals concerning projects that receive assistance under this title, including grievances regarding proposed placements of such participants in such projects.

"(2) DEADLINE FOR GRIEVANCES.—Except for a grievance that alleges fraud or criminal activity, a grievance shall be made not later than 1 year after the date of the alleged occurrence of the event that is the subject of the grievance.

"(3) DEADLINE FOR HEARING AND DECISION.—

"(A) HEARING.—A hearing on any grievance conducted under this subsection shall be conducted not later than 30 days after the filing of such grievance.

"(B) DECISION.—A decision on any such grievance shall be made not later than 60 days after the filing of such grievance.

"(4) ARBITRATION.—

"(A) IN GENERAL.—

"(i) JOINTLY SELECTED ARBITRATOR.—In the event of a decision on a grievance that is adverse to the party who filed such grievance, or 60 days after the filing of such grievance if no decision has been reached, such party shall be permitted to submit such grievance to binding arbitration before a qualified arbitrator who is jointly selected and independent of the interested parties.

"(ii) APPOINTED ARBITRATOR.—If the parties cannot agree on an arbitrator, the Chairperson

shall appoint an arbitrator from a list of qualified arbitrators within 15 days after receiving a request for such appointment from one of the parties to the grievance.

"(B) DEADLINE FOR PROCEEDING.—An arbitration proceeding shall be held not later than 45 days after the request for such arbitration proceeding, or, if the arbitrator is appointed by the Chairperson in accordance with subparagraph (A)(ii), not later than 30 days after the appointment of such arbitrator.

"(C) DEADLINE FOR DECISION.—A decision concerning a grievance shall be made not later than 30 days after the date such arbitration proceeding begins.

"(D) COST.—

"(i) IN GENERAL.—Except as provided in clause (ii), the cost of an arbitration proceeding shall be divided evenly between the parties to the arbitration.

"(ii) EXCEPTION.—If a participant, labor organization, or other interested individual described in paragraph (1) prevails under a binding arbitration proceeding, the State, local agency, public or private nonprofit organization, or partnership of such agencies and organizations, that is a party to such grievance shall pay the total cost of such proceeding and the attorneys' fees of such participant, labor organization, or individual, as the case may be.

"(5) PROPOSED PLACEMENT.—If a grievance is filed regarding a proposed placement of a participant in a project that receives assistance under this title, such placement shall not be made unless the placement is consistent with the resolution of the grievance pursuant to this subsection.

"(6) REMEDIES.—Remedies for a grievance filed under this subsection include—

"(A) suspension of payments for assistance under this title;

"(B) termination of such payments;

"(C) prohibition of the placement described in paragraph (5); and

"(D) in a case in which the grievance involves a violation of subsection (a) or (b) of section 177 and the employer of the displaced employee is the recipient of assistance under this title—

"(i) reinstatement of the displaced employee to the position held by such employee prior to displacement;

"(ii) payment of lost wages and benefits of the displaced employee;

"(iii) reestablishment of other relevant terms, conditions, and privileges of employment of the displaced employee; and

"(iv) such equitable relief as is necessary to correct any violation of subsection (a) or (b) of section 177 or to make the displaced employee whole.

"(7) ENFORCEMENT.—Suits to enforce arbitration awards under this section may be brought in any district court of the United States having jurisdiction of the parties, without regard to the amount in controversy and without regard to the citizenship of the parties."

SEC. 117. NONDISPLACEMENT.

Section 177(b)(3) of the National and Community Service Act of 1990 (42 U.S.C. 12637(b)(3)) is amended—

(1) in subparagraph (B), to read as follows:

"(B) SUPPLANTATION OF HIRING.—A participant in any program receiving assistance under this title shall not perform any services or duties, or engage in activities, that—

"(i) will supplant the hiring of employed workers; or

"(ii) are services, duties, or activities with respect to which an individual has recall rights pursuant to a collective bargaining agreement or applicable personnel procedures.";

(2) in subparagraph (C)(iii), to read as follows:

"(iii) employee who—

"(I) is subject to a reduction in force; or
 "(II) has recall rights pursuant to a collective bargaining agreement or applicable personnel procedures";

SEC. 118. EVALUATION.

Section 179 of the National and Community Service Act of 1990 (42 U.S.C. 12639) is amended—

(1) in subsection (a)—
 (A) in the matter preceding paragraph (1), by striking "this title" and inserting "the national service laws"; and

(B) in paragraph (2)—
 (i) in the matter preceding subparagraph (A), by striking "for purposes of the reports required by subsection (j)," and inserting "with respect to the programs authorized under subtitle C"; and

(ii) in subparagraph (A), by striking "older American volunteer programs" and inserting "National Senior Volunteer Corps programs";
 (2) in subsection (g)—

(A) in the matter preceding paragraph (1), by striking "subtitle D" and inserting "subtitle C"; and

(B) in paragraphs (3) and (9), by striking "older American volunteer programs" and inserting "National Senior Volunteer Corps programs"; and

(3) by striking subsections (i) and (j).

SEC. 119. ENGAGEMENT OF PARTICIPANTS.

Section 180 of the National and Community Service Act of 1990 (42 U.S.C. 12640) is amended by striking "post-service benefits" and inserting "national service educational awards".

SEC. 120. CONTINGENT EXTENSION.

(a) IN GENERAL.—Section 181 of the National and Community Service Act of 1990 (42 U.S.C. 12641) is amended to read as follows:

"SEC. 181. CONTINGENT EXTENSION.

"Section 414 of the General Education Provisions Act (20 U.S.C. 1226a) shall apply to this Act."

(b) TABLE OF CONTENTS.—Section 1(b) of the National and Community Service Act of 1990 (Public Law 101-610; 104 Stat. 3127) is amended by striking the item relating to sections 181 of such Act and inserting the following:

"Sec. 181. Contingent extension."

SEC. 121. REPEALS.

(a) IN GENERAL.—Subtitle F of title I of the National and Community Service Act of 1990 (42 U.S.C. 12631 et seq.) is amended—

(1) by repealing sections 183, 185, and 186; and
 (2) by redesignating section 184 as section 183.

(b) TABLE OF CONTENTS.—Section 1(b) of the National and Community Service Act of 1990 (Public Law 101-610; 104 Stat. 3127) is amended by striking the items relating to sections 183, 184, and 185 of such Act and inserting the following:

"Sec. 183. Drug-free workplace requirements."

TITLE II—ORGANIZATION

SEC. 201. STATE COMMISSIONS ON NATIONAL SERVICE.

(a) COMPOSITION AND DUTIES OF STATE COMMISSIONS.—Subtitle F of title I of the National and Community Service Act of 1990 is amended by striking section 178 (42 U.S.C. 12638) and inserting the following new section:

"SEC. 178. STATE COMMISSIONS ON NATIONAL SERVICE.

"(a) EXISTENCE REQUIRED.—

"(1) STATE COMMISSION.—Except as provided in paragraph (2), to be eligible to receive a grant or allotment under subtitle B or C or to receive a distribution of approved national service positions under subtitle C, a State shall maintain a State Commission on National Service that satisfies the requirements of this section.

"(2) ALTERNATIVE ADMINISTRATIVE ENTITY.—The chief executive officer of a State may apply to the Corporation for approval to use an alter-

native administrative entity to carry out the duties otherwise entrusted to a State Commission under this Act. The chief executive officer shall ensure that any alternative administrative entity used in lieu of a State Commission still provides for the individuals described in paragraphs (1) and (2) of subsection (c) to play a significant policy-making role in carrying out the duties otherwise entrusted to a State Commission, including the submission of applications on behalf of the State under sections 117B and 130.

"(b) APPOINTMENT AND SIZE.—Except as provided in subsection (c)(3), the members of a State Commission for a State shall be appointed by the chief executive officer of the State. A State Commission shall consist of not less than 15 voting members.

"(c) COMPOSITION AND MEMBERSHIP.—

"(1) REQUIRED MEMBERS.—The State Commission for a State shall include as voting members at least one of each of the following individuals:

"(A) An individual with expertise in the educational, training, and development needs of youth, particularly disadvantaged youth.

"(B) An individual with experience in promoting the involvement of older Americans in service and voluntarism.

"(C) A representative of community action agencies and community-based organizations within the State, particularly those agencies and organizations that—

"(i) are located in areas of the State with high rates of poverty;

"(ii) provide a comprehensive range of services to economically disadvantaged individuals and families;

"(iii) have a demonstrated record of effectiveness; and

"(iv) are governed by a board composed in significant part of economically disadvantaged individuals.

"(D) A youth who is or has been a participant in a service program.

"(E) An individual with expertise in the delivery of human, educational, environmental, or public safety services to communities and persons.

"(F) The head of the State educational agency.

"(G) A representative of local governments in the State.

"(H) A representative of local labor organizations in the State.

"(I) Representatives of business.

"(2) ADDITIONAL MEMBERS.—The State Commission for a State may also include as voting members the following individuals:

"(A) Representatives of entities which receive assistance under the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4950 et seq.).

"(B) Educators.

"(C) Individuals who are recognized for their outstanding contributions as volunteers in service to their community, State, and Nation.

"(3) CORPORATION REPRESENTATIVE.—The representative of the Corporation designated under section 195(b) for a State shall be a voting member of the State Commission for that State.

"(4) EX OFFICIO STATE REPRESENTATIVES.—The chief executive officer of a State may appoint as nonvoting ex officio members of the State Commission for the State representatives selected from among officers and employees of State agencies operating community service, youth service, education, social service, senior service, and job training programs.

"(5) LIMITATION ON NUMBER OF STATE EMPLOYEES AS MEMBERS.—The number of voting members of a State Commission selected under paragraph (1) or (2) who are officers or employees of the State may not exceed 25 percent (reduced to the nearest whole number) of the total membership of the State Commission.

"(d) MISCELLANEOUS MATTERS.—

"(1) MEMBERSHIP BALANCE.—The chief executive officer of a State shall ensure that the membership of the State Commission for the State is balanced according to race, ethnic background, age, and gender. Not more than 50 percent of the voting members of a State Commission, plus 1 additional member, may be from the same political party.

"(2) TERMS.—Each member of the State Commission for a State shall serve for a term of 3 years, except that the chief executive officer of a State shall initially appoint a portion of the members to terms of 1 year and 2 years.

"(3) VACANCIES.—As vacancies occur on a State Commission, new members shall be appointed by the chief executive officer of the State and serve for the remainder of the term for which the predecessor of such member was appointed. The vacancy shall not affect the power of the remaining members to execute the duties of the State Commission.

"(4) COMPENSATION.—A member of a State Commission shall not receive any additional compensation by reason of service on the State Commission, except that the State may authorize the reimbursement of travel expenses, including a per diem in lieu of subsistence, in the same manner as other employees serving intermittently in the service of the State.

"(5) CHAIRPERSON.—The voting members of a State Commission shall elect one of the voting members to serve as chairperson of the State Commission.

"(e) DUTIES OF A STATE COMMISSION.—The State Commission for a State shall be responsible for the following duties:

"(1) Preparation of a national service plan for the State that—

"(A) is developed through an open and public process (such as through regional forums, hearings, and other means) that provides for maximum participation and input from existing national service programs within the State and other interested members of the public;

"(B) covers a 3-year period;

"(C) is updated annually; and

"(D) contains such information as the State Commission considers to be appropriate or as the Corporation may require.

"(2) Preparation of the applications of the State under sections 117B and 130 for financial assistance.

"(3) Assistance in the preparation of the application of the State educational agency for assistance under section 113.

"(4) Preparation of the application of the State under section 130 for the approval of service positions that include the national service educational award described in subtitle D.

"(5) Make recommendations to the Corporation with respect to priorities for programs receiving assistance under the Domestic Volunteer Service Act of 1973.

"(6) Make technical assistance available to enable applicants under section 121—

"(A) to plan and implement service programs; and

"(B) to apply for assistance under the national service laws using, if appropriate, information and materials available through a clearinghouse established under section 198A.

"(7) Assistance in the provision of health care and child care benefits under section 140 to participants in national service programs that receive assistance under section 121.

"(8) Development of a State system for the recruitment and placement of participants in national service programs that receive assistance under the national service laws and dissemination of information concerning national service programs that receive assistance and approved national service positions.

"(9) Administration of the grant program in support of national service programs that is conducted by the State using assistance provided to

the State under section 121, including selection, oversight, and evaluation of grant recipients.

"(10) Development of projects, training methods, curriculum materials, and other materials and activities related to national service programs that receive assistance from the State using assistance provided under section 121.

"(f) ACTIVITY INELIGIBLE FOR ASSISTANCE.—A State Commission may not directly carry out any national service program that receives assistance under section 121.

"(g) DELEGATION.—Subject to such requirements as the Corporation may prescribe, a State Commission may delegate nonpolicy-making duties to a State agency or public or private nonprofit organization.

"(h) APPROVAL OF STATE COMMISSION OR ALTERNATIVE.—

"(1) SUBMISSION TO CORPORATION.—The chief executive officer for a State shall notify the Corporation of the establishment or designation of the State Commission for the State. The notification shall include a description of—

"(A) the composition and membership of the State Commission; and

"(B) the authority of the State Commission regarding national service activities carried out by the State.

"(2) APPROVAL OF ALTERNATIVE ADMINISTRATIVE ENTITY.—Any use of an alternative administrative entity to carry out the duties of a State Commission shall be subject to the approval of the Corporation.

"(3) REJECTION.—The Corporation may reject a State Commission if the Corporation determines that the composition, membership, or duties of the State Commission do not comply with the requirements of this section. The Corporation shall reject a request to use an alternative administrative entity in lieu of a State Commission if the Corporation determines that use of the alternative administrative entity does not allow the individuals described in paragraphs (1) and (2) of subsection (c) to play a significant policy-making role in carrying out the duties otherwise entrusted to a State Commission. If the Corporation rejects a State Commission or alternative administrative entity under this paragraph, the Corporation shall promptly notify the State of the reasons for the rejection.

"(4) RESUBMISSION AND RECONSIDERATION.—The Corporation shall provide a State notified under paragraph (3) with a reasonable opportunity to revise the rejected State Commission or alternative administrative entity. At the request of the State, the Corporation shall provide technical assistance to the State as part of the revision process. The Corporation shall promptly reconsider any resubmission of a notification under paragraph (1) or application to use an alternative administrative entity under paragraph (2).

"(5) SUBSEQUENT CHANGES.—This subsection shall also apply to any change in the composition or duties of a State Commission or an alternative administrative entity made after approval of the State Commission or the alternative administrative entity."

(b) TABLE OF CONTENTS.—Section 1(b) of the National and Community Service Act of 1990 (Public Law 101-610; 104 Stat. 3127) is amended by striking the item relating to section 178 and inserting the following new item:

"Sec. 178. State Commissions on National Service."

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

(d) TRANSITIONAL PROVISIONS.—

(1) USE OF ALTERNATIVES TO STATE COMMISSION.—If a State does not have a State Commission on National Service that satisfies the requirements specified in section 178 of the National and Community Service Act of 1990, as

amended by subsection (a), the Corporation for National Service may authorize the chief executive of the State to use an existing agency of the State to perform the duties otherwise reserved to a State Commission under subsection (e) of such section.

(2) APPLICATION OF SUBSECTION.—This subsection shall apply only during the 18-month period beginning on the date of the enactment of this Act.

SEC. 202. INTERIM AUTHORITIES OF THE CORPORATION FOR NATIONAL SERVICE AND ACTION AGENCY.

(a) NATIONAL AND COMMUNITY SERVICE ACT OF 1990.—Subtitle G of title I of the National and Community Service Act of 1990 (42 U.S.C. 12651) is amended to read as follows:

"Subtitle G—Corporation for National Service

"SEC. 191. CORPORATION FOR NATIONAL SERVICE.

"There is established a Corporation for National Service that shall administer the programs established under this Act. The Corporation shall be a Government corporation, as defined in section 103 of title 5, United States Code.

"SEC. 192. BOARD OF DIRECTORS.

"(a) COMPOSITION.—

"(1) IN GENERAL.—There shall be in the Corporation a Board of Directors (referred to in this subtitle as the 'Board') that shall be composed of—

"(A) not less than 15 members, including the Chairperson appointed under section 193, to be appointed by the President, by and with the advice and consent of the Senate; and

"(B) the ex officio members described in paragraph (4).

"(2) QUALIFICATIONS.—To the maximum extent practicable, the President shall appoint members—

"(A) who have extensive experience in volunteer and service programs, including programs funded under one of the national service laws, and in State government;

"(B) who represent a broad range of viewpoints;

"(C) who are experts in the delivery of human, educational, environmental, or public safety services;

"(D) so that the Board shall be diverse according to race, ethnicity, age, and gender; and

"(E) so that no more than 50 percent of the appointed members of the Board, plus 1 additional appointed member, are from a single political party.

"(3) EX OFFICIO MEMBERS.—The Secretary of Education, the Secretary of Health and Human Services, the Secretary of Labor, the Secretary of the Interior, the Secretary of Agriculture, the Secretary of Housing and Urban Development, the Secretary of Defense, the Attorney General, the Director of the Peace Corps, and the Administrator of the Environmental Protection Agency shall serve as ex officio nonvoting members of the Board.

"(b) TERMS.—Each appointed member of the Board shall serve for a term of 5 years, except that, as designated by the President—

"(1) 3 of the members first appointed to the Board shall serve for a term of 1 year;

"(2) 3 of the members first appointed to the Board shall serve for a term of 2 years;

"(3) 3 of the members first appointed to the Board shall serve for a term of 3 years;

"(4) 3 of the members first appointed to the Board shall serve for a term of 4 years; and

"(5) the remainder of the members first appointed to the Board shall serve for a term of 5 years.

"(c) VACANCIES.—As vacancies occur on the Board, new members shall be appointed by the President, by and with the advice and consent of the Senate, and serve for the remainder of the

term for which the predecessor of such member was appointed. The vacancy shall not affect the power of the remaining members to execute the duties of the Board.

"SEC. 192A. AUTHORITIES AND DUTIES OF THE BOARD OF DIRECTORS.

"(a) MEETINGS.—The Board shall meet not less than 3 times each year. The Board shall hold additional meetings at the call of the Chairperson or if a majority of the members of the Board request such meetings in writing. In addition, the Board (or designated members of the Board) shall conduct periodic public hearings throughout the United States to examine and review operation of the national service laws.

"(b) QUORUM.—A majority of the appointed members of the Board shall constitute a quorum.

"(c) OFFICERS.—

"(1) VICE CHAIRPERSON.—The Board shall elect a Vice Chairperson from among its membership. The Vice Chairperson may conduct meetings of the Board in the absence of the Chairperson.

"(2) OTHER OFFICERS.—The Board may elect from among its membership such additional officers of the Board as the Board determines to be appropriate.

"(d) INSPECTOR GENERAL OVERSIGHT COMMITTEE.—The Board shall establish an Inspector General oversight committee (referred to in this subtitle as the 'oversight committee'). Such committee shall be comprised of the Vice Chairperson and two members selected by the Vice Chairperson. The Chairperson shall not serve on the oversight committee.

"(e) EXPENSES.—While away from their homes or regular places of business on the business of the Board, members of such Board shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter 1 of chapter 57 of title 5, United States Code, for persons employed intermittently in the Government service.

"(f) SPECIAL GOVERNMENT EMPLOYEES.—For purposes of the provisions of chapter 11 of part 1 of title 18, United States Code, and any other provision of Federal law, a member of the Board (to whom such provisions would not otherwise apply except for this subsection) shall be a special Government employee.

"(g) STATUS OF MEMBERS.—

"(1) OTHER CLAIMS.—A member of the Board has no personal liability under Federal law with respect to any claim arising out of or resulting from any act or omission by such person, within the scope of the service of the member on the Board, in connection with any transaction involving the provision of financial assistance by the Corporation. This paragraph shall not be construed to limit personal liability for criminal acts or omissions, willful or malicious misconduct, acts or omissions for private gain, or any other act or omission outside the scope of the service of such member on the Board.

"(2) EFFECT ON OTHER LAW.—This subsection shall not be construed—

"(A) to affect any other immunities and protections that may be available to such member under applicable law with respect to such transactions;

"(B) to affect any other right or remedy against the Corporation, against the United States under applicable law, or against any person other than a member of the Board participating in such transactions; or

"(C) to limit or alter in any way the immunities that are available under applicable law for Federal officials and employees not described in this subsection.

"(h) DUTIES.—The Board shall—

"(1) prepare a strategic plan every 3 years, and annual updates of the plan, for the Corporation with respect to the grants, allotments,

contracts, assistance, and payments made by the Corporation, and with respect to such standards, policies, procedures, programs, and initiatives as are necessary or appropriate to carry out this Act;

"(2) make recommendations with respect to the regulations established under section 195(b)(3)(A);

"(3)(A) review the actions of the Chairperson with respect to—

"(i) grants, allotments, contracts, assistance, and payments made by the Corporation;

"(ii) the personnel of the Corporation; and

"(iii) the standards, policies, procedures, programs, and initiatives of the Corporation; and

"(B) inform the Chairperson of any aspects of the actions of the Chairperson that are not in compliance with the annual strategic plan described in paragraph (1) or the recommendations described in paragraph (2), or are not consistent with the objectives of this Act;

"(4) receive reports issued by the Inspector General of the Corporation and review actions taken by the Chairperson with respect to such reports;

"(5) review the evaluation of programs established under this Act, in accordance with section 179;

"(6) make recommendations for research with respect to national and community service programs, including service-learning programs;

"(7) advise the President and the Congress concerning developments in national and community service that merit the attention of the President and the Congress;

"(8) disseminate information regarding the programs and initiatives of the Corporation; and

"(9) carry out any other activities determined to be appropriate by the Chairperson.

"SEC. 193. CHAIRPERSON AND DIRECTOR.

"(a) APPOINTMENT.—The Corporation shall be headed by an individual who shall serve as Chairperson of the Board and as Director of the Corporation, and who shall be appointed by the President, by and with the advice and consent of the Senate.

"(b) COMPENSATION.—The Chairperson shall be compensated at the rate provided for level III of the Executive Schedule under section 5314 of title 5, United States Code.

"(c) REGULATIONS.—The Chairperson shall prescribe such rules and regulations as are necessary or appropriate to carry out this Act.

"SEC. 193A. AUTHORITIES AND DUTIES OF THE CHAIRPERSON.

"(a) GENERAL POWERS AND DUTIES.—The Chairperson shall be responsible for the exercise of the powers and the discharge of the duties of the Corporation that are not reserved to the Board, and shall have authority and control over all personnel of the Corporation.

"(b) DUTIES.—In addition to the duties conferred on the Chairperson under any other provision of this Act, the Chairperson shall—

"(1) submit a proposal to the Board regarding, and establish, such standards, policies, and procedures, as are necessary or appropriate to carry out this Act;

"(2) establish and administer such programs and initiatives as the Chairperson, acting on the recommendation of the Board, may determine to be necessary or appropriate to carry out this Act;

"(3) consult with appropriate Federal agencies in administering such programs and initiatives;

"(4) on the recommendation of the Board, suspend or terminate payments and positions provided pursuant to the national service laws, in accordance with section 176;

"(5) prepare and submit to the Board an annual report, and such interim reports as may be necessary, describing the major actions of the Chairperson with respect to the personnel of the

Corporation, and with respect to such standards, policies, procedures, programs, and initiatives;

"(6) notify, and provide an explanation to, the Board regarding any substantial differences between the actions of the Chairperson and the strategic plan described in section 192A(h)(2); and

"(7) prepare and submit to the appropriate committees of Congress an annual report, and such interim reports as may be necessary, describing—

"(A) the services referred to in paragraph (1), and the money and property referred to in paragraph (2), of section 196(a) that have been accepted by the Corporation; and

"(B) the manner in which the Corporation used or disposed of such services, money, and property.

"(c) POWERS.—In addition to the authority conferred on the Chairperson under any other provision of this Act, the Chairperson may—

"(1) establish, alter, consolidate, or discontinue such organizational units or components within the Corporation as the Chairperson considers necessary or appropriate;

"(2) with the approval of the President—

"(A) arrange with and reimburse the heads of other Federal agencies for the performance of any of the provisions of this Act; and

"(B) as necessary or appropriate—

"(i) delegate any of the functions of the Chairperson under this Act, or, with the permission of the Board, any of the functions of the Board under this Act, to such heads of Federal agencies; and

"(ii) authorize the redelegation of such functions,

subject to provisions to assure the maximum possible liaison between the Corporation and such other agencies at all operating levels;

"(3) with their consent, utilize the services and facilities of Federal agencies with or without reimbursement, and, with the consent of any State, or political subdivision of a State, accept and utilize the services and facilities of the agencies of such State or subdivisions without reimbursement;

"(4) allocate and expend, or transfer to other Federal agencies for expenditure, funds made available under this Act, including expenditure for construction, repairs, and capital improvements;

"(5) disseminate, without regard to the provisions of section 3204 of title 39, United States Code, data and information, in such form as the Chairperson shall determine to be appropriate to public agencies, private organizations, and the general public;

"(6) collect or compromise all obligations to or held by the Chairperson and all legal or equitable rights accruing to the Chairperson in connection with the payment of obligations in accordance with chapter 37 of title 31, United States Code (commonly known as the 'Federal Claims Collection Act of 1966');

"(7) expend funds made available for purposes of this Act, without regard to any other law or regulation, for rent of buildings and space in buildings and for repair, alteration, and improvement of buildings and space in buildings rented by the Chairperson;

"(8) file a civil action in any court of record of a State having general jurisdiction or in any district court of the United States, with respect to a claim arising under this Act;

"(9) exercise the authorities of the Corporation under section 196; and

"(10) generally perform such functions and take such steps consistent with the objectives and provisions of this Act, as the Chairperson determines to be necessary or appropriate to carry out such provisions.

"(d) DELEGATION.—

"(1) DEFINITION.—As used in this subsection, the term 'function' means any duty, obligation, power, authority, responsibility, right, privilege, activity, or program.

"(2) IN GENERAL.—Except as otherwise prohibited by law or provided in this Act, the Chairperson may delegate any function under this Act, and authorize such successive redelegations of such function as may be necessary or appropriate. No delegation of a function by the Chairperson under this subsection or under any other provision of this Act shall relieve such Chairperson of responsibility for the administration of such function.

"(3) FUNCTION OF BOARD.—The Chairperson may not delegate a function of the Board without the permission of the Board.

"(e) ACTIONS.—In an action described in subsection (c)(8)—

"(1) a district court referred to in such subsection shall have jurisdiction of such a civil action without regard to the amount in controversy;

"(2) such an action brought by the Chairperson shall survive notwithstanding any change in the person occupying the office of Chairperson or any vacancy in that office;

"(3) no attachment, injunction, garnishment, or other similar process, mesne or final, shall be issued against the Chairperson or the Board or property under the control of the Chairperson or the Board; and

"(4) nothing in this section shall be construed to except litigation arising out of activities under this Act from the application of sections 509, 517, 547, and 2679 of title 28, United States Code.

"SEC. 194. OFFICERS.

"(a) MANAGING DIRECTORS.—

"(1) IN GENERAL.—There shall be in the Corporation 2 Managing Directors, who shall be appointed by the President, by and with the advice and consent of the Senate.

"(2) COMPENSATION.—The Managing Directors shall be compensated at the rate provided for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

"(3) DUTIES.—

"(A) FEDERAL PROGRAMS.—One of the Managing Directors shall be primarily responsible for the Federal programs carried out by the Corporation.

"(B) INVESTMENT PROGRAMS.—The other Managing Director shall be primarily responsible for the financial assistance programs carried out by the Corporation.

"(b) INSPECTOR GENERAL.—There shall be in the Corporation an Office of Inspector General as provided in section 8E(a)(2) of the Inspector General Act of 1978 (5 U.S.C. App.).

"(c) CHIEF FINANCIAL OFFICER.—

"(1) OFFICE.—There shall be in the Corporation a Chief Financial Officer, who shall be appointed by the President, by and with the advice and consent of the Senate.

"(2) COMPENSATION.—The Chief Financial Officer shall be compensated at the rate provided for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

"(3) DUTIES.—The Chief Financial Officer shall—

"(A) report directly to the Chairperson regarding financial management matters;

"(B) oversee all financial management activities relating to the programs and operations of the Corporation;

"(C) develop and maintain an integrated accounting and financial management system for the Corporation, including financial reporting and internal controls;

"(D) develop and maintain any joint financial management systems with the Department of Education necessary to carry out the programs of the Corporation; and

"(E) direct, manage, and provide policy guidance and oversight of the financial management personnel, activities, and operations of the Corporation.

"SEC. 194A. CORPORATION STATE OFFICES.

"(a) IN GENERAL.—The Chairperson shall establish and maintain a decentralized field structure which provides for an office of the Corporation for each State which is located in or in reasonable proximity of each such State. Such State office may be directed by the State Corporation representative designated under section 195(b)(1).

"(b) DUTIES.—Each State office established pursuant to subsection (a) shall—

"(1) provide to the State Commissions established under section 178 technical and other assistance for the development and implementation of State service plans;

"(2) provide to community-based agencies and other entities within the State technical assistance for the preparation of applications for assistance under the national service laws, utilizing, as appropriate, information and materials provided by the clearinghouses established pursuant to section 198A;

"(3) provide to the State Commission and other entities within the State support and technical assistance necessary to assure that there is an effective system of recruitment, placement, and training of volunteers within the State;

"(4) monitor and evaluate the performance of all programs and projects within the State which receive assistance under the national service laws; and

"(5) perform such other duties and functions which may be assigned or delegated by the Chairperson.

"SEC. 195. EMPLOYEES, CONSULTANTS, AND OTHER PERSONNEL.

"(a) EMPLOYEES.—

"(1) IN GENERAL.—Except as provided in paragraph (2) and subsections (b) and (c), the Chairperson shall, in accordance with applicable provisions of title 5 of the United States Code, appoint and determine the compensation of such employees as the Chairperson determines to be necessary to carry out the duties of the Corporation.

"(A) ASSISTANT DIRECTORS FOR VISTA AND NATIONAL SENIOR VOLUNTEER CORPS.—

"(A) APPOINTMENT.—The Managing Director primarily responsible for the Federal programs carried out by the Corporation (appointed pursuant to section 194(a)) shall, in accordance with applicable provisions of title 5 of the United States Code, appoint 4 Assistant Directors who shall report directly to such Managing Director, of which—

"(i) 1 Assistant Director shall be responsible for parts A and B of title I of the Domestic Volunteer Service Act of 1973 (the Volunteers in Service to America (VISTA) program) and other antipoverty programs under title I of that Act;

"(ii) 1 Assistant Director shall be responsible for part A of title II of that Act (relating to the Retired Senior Volunteer Program);

"(iii) 1 Assistant Director shall be responsible for part B of title II of that Act (relating to the Foster Grandparent Program); and

"(iv) 1 Assistant Director shall be responsible for part C of title II of that Act (relating to the Senior Companion Program).

"(B) EFFECTIVE DATE FOR EXERCISE OF AUTHORITY.—Each Assistant Director appointed pursuant to subparagraph (A) may exercise the authority assigned to each such Director only after the effective date of section 203(b) of the National Service Trust Act of 1993.

"(b) ALTERNATIVE PERSONNEL SYSTEM.—

"(1) AUTHORITY.—To the extent the Chairperson determines it appropriate and desirable to further the effective operation of the Corporation, the Chairperson may designate posi-

tions in the Corporation to which appointments may be made and for which compensation may be determined without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates. The Chairperson may provide for appointments to such positions to be made on a limited term basis.

"(2) APPOINTMENT IN THE COMPETITIVE SERVICE AFTER EMPLOYMENT UNDER ALTERNATIVE PERSONNEL SYSTEM.—The Director of the Office of Personnel Management may grant competitive status for appointment to the competitive service, under such conditions as the Director may prescribe, to an employee who is appointed under this subsection and who is separated from the Corporation (other than by removal for cause).

"(3) SELECTION AND COMPENSATION SYSTEM.—

"(A) ESTABLISHMENT OF SYSTEM.—The Chairperson, after reviewing the recommendations of the Board under section 192A(h)(2), and after obtaining the approval of the Director of the Office of Personnel Management, shall issue regulations establishing a selection and compensation system for employees of the Corporation appointed under paragraph (1). In issuing such regulations, the Chairperson shall take into consideration the need for flexibility in such a system.

"(B) APPLICATION.—The Chairperson shall appoint and determine the compensation of employees in accordance with the selection and compensation system established under subparagraph (A).

"(C) SELECTION.—The system established under subparagraph (A) shall provide for the selection of employees—

"(i) through a competitive process; and

"(ii) on the basis of the qualifications of applicants and the requirements of the positions.

"(D) COMPENSATION.—The system established under subparagraph (A) shall include a scheme for the classification of positions in the Corporation. The system shall require that the compensation of an employee be determined in part on the basis of the job performance of the employee, and in a manner consistent with the principles described in section 5301 of title 5, United States Code. The rate of compensation for each employee compensated under the system shall not exceed the annual rate of basic pay payable for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

"(c) CORPORATION REPRESENTATIVE IN EACH STATE.—

"(1) APPOINTMENT OF REPRESENTATIVE.—The Chairperson shall, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, appoint an employee to serve as the representative of the Corporation for each State or group of States to assist the Corporation in carrying out the activities described in this Act in the State or States.

"(2) DUTIES.—The representative appointed under this subsection for a State or group of States shall serve as the liaison between—

"(A) the Corporation and the State Commission that is established in the State or States; and

"(B) the Corporation and any subdivision of a State, Indian tribe, public or private nonprofit organization, or institution of higher education, in the State or States, that is awarded a grant under section 121 directly from the Corporation.

"(3) MEMBER OF STATE COMMISSION.—The representative appointed under this subsection for a State or group of States shall also serve as a voting member of the State Commission established in the State or States.

"(4) COMPENSATION.—

"(A) IN GENERAL.—The Chairperson may determine the compensation of representatives appointed under this subsection without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification and General Schedule pay rates.

"(B) LIMITATION ON COMPENSATION.—The rate of compensation for each representative appointed under this subsection shall not exceed the maximum rate of basic pay payable for GS-15 of the General Schedule under section 5332 of title 5, United States Code.

"(d) CONSULTANTS.—The Chairperson may procure the temporary and intermittent services of experts and consultants and compensate the experts and consultants in accordance with section 3109(b) of title 5, United States Code.

"(e) DETAILS OF PERSONNEL.—The head of any Federal department or agency may detail on a reimbursable basis, or on a nonreimbursable basis for not to exceed 180 calendar days during any fiscal year, as agreed upon by the Chairperson and the head of the Federal agency, any of the personnel of that department or agency to the Corporation to assist the Corporation in carrying out the duties of the Corporation under this Act. Any detail shall not interrupt or otherwise affect the civil service status or privileges of the Federal employee.

"(f) ADVISORY COMMITTEES.—

"(1) ESTABLISHMENT.—The Chairperson, acting upon the recommendation of the Board, may establish advisory committees in the Corporation to advise the Board with respect to national service issues, such as the type of programs to be established or assisted under the national service laws, priorities and criteria for such programs, and methods of conducting outreach for, and evaluation of, such programs.

"(2) COMPOSITION.—Such an advisory committee shall be composed of members appointed by the Chairperson, with such qualifications as the Chairperson may specify.

"(3) EXPENSES.—Members of such an advisory committee may be allowed travel expenses as described in section 192A(e).

"(4) STAFF.—The Chairperson is authorized to appoint and fix the compensation of such staff as the Chairperson determines to be necessary to carry out the functions of the advisory committee, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates. Such compensation shall not exceed the maximum rate of basic pay payable for GS-15 of the General Schedule under section 5332 of title 5, United States Code.

"SEC. 196. ADMINISTRATION.

"(a) DONATIONS.—

"(1) SERVICES.—

"(A) VOLUNTEERS.—Notwithstanding section 1342 of title 31, United States Code, the Corporation may solicit and accept the voluntary services of individuals to assist the Corporation in carrying out the duties of the Corporation under this Act, and may provide to such individuals the travel expenses described in section 192A(e).

"(B) LIMITATION.—Such a volunteer shall not be considered to be a Federal employee and shall not be subject to the provisions of law relating to Federal employment, including those relating to hours of work, rates of compensation, leave, unemployment compensation, and Federal employee benefits, except that for the purposes of subchapter I of chapter 81 of title 5, United States Code, relating to compensation to Federal employees for work injuries, volunteers under this subtitle shall be considered to be employees, as defined in section 8101(1)(B) of title 5, United

States Code, and the provisions of such subchapter shall apply.

"(C) **VOLUNTEER DEFINED.**—For purposes of this paragraph, the term 'volunteer' does not include a participant.

"(2) **PROPERTY.**—

"(A) **SOLICITATION AND ACCEPTANCE AUTHORIZED.**—The Corporation may solicit, accept, hold, administer, use, and dispose of, in furtherance of the purposes of this Act, donations of any money or property, real, personal, or mixed, tangible or intangible, received by gift, devise, bequest, or otherwise. Donations accepted under this subparagraph shall be used as nearly as possible in accordance with the terms, if any, of such donation.

"(B) **STATUS OF CONTRIBUTION.**—Any donation accepted under subparagraph (A) shall be considered to be a gift, devise, or bequest to, or for the use of, the United States.

"(C) **RULES.**—The Corporation shall establish written rules to ensure that the solicitation, acceptance, holding, administration, and use of donations described in subparagraph (A)—

"(i) will not reflect unfavorably upon the ability of the Corporation, or of any officer or employee of the Corporation, to carry out the responsibilities or official duties of the Corporation in a fair and objective manner; and

"(ii) will not compromise the integrity of the programs of the Corporation or any official or employee of the Corporation involved in such programs.

"(D) **DISPOSITION.**—Upon completion of the use by the Corporation of any donation accepted pursuant to subparagraph (A) (other than money or monetary proceeds from sales of property accepted), such completion shall be reported to the General Services Administration and such property shall be disposed of in accordance with title II of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 481 et seq.).

"(b) **CONTRACTS.**—Subject to the Federal Property and Administrative Services Act of 1949, the Corporation may enter into contracts, and cooperative and interagency agreements, with Federal and State agencies, private firms, institutions, and individuals to conduct activities necessary to carry out the duties of the Corporation under this Act."

(b) **DOMESTIC VOLUNTEER SERVICE ACT OF 1973.**—Section 401 of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 5041) is amended by inserting after the second sentence the following: "The Director shall report directly to the Chairperson of the Corporation for National Service."

(c) **TRANSFER OF FUNCTIONS OF COMMISSION ON NATIONAL AND COMMUNITY SERVICE.**—

(1) **DEFINITIONS.**—For purposes of this subsection, unless otherwise provided or indicated by the context, each term specified in section 203(c)(1) shall have the meaning given the term in such section.

(2) **TRANSFER OF FUNCTIONS.**—There are transferred to the Corporation the functions that the Board of Directors or Executive Director of the Commission on National and Community Service exercised before the effective date of this subsection (including all related functions of any officer or employee of the Commission).

(3) **APPLICATION.**—The provisions of paragraphs (3) through (10) of section 203(c) shall apply with respect to the transfer described in paragraph (2), except that—

(A) for purposes of such application, references to the term "ACTION Agency" shall be deemed to be references to the Corporation; and

(B) paragraph (10) of such section shall not preclude the transfer of the members of the Board of Directors of the Commission to the Corporation if, on the effective date of this subsection, the Board of Directors of the Corporation has not been confirmed.

(d) **CONTINUING PERFORMANCE OF CERTAIN FUNCTIONS.**—The individuals who, on the day before the date of enactment of this Act, are performing any of the functions required by section 190 of the National and Community Service Act of 1990 (42 U.S.C. 12651), as in effect on such date, to be performed by the members of the Board of Directors of the Commission on National and Community Service may, subject to section 193A of the National and Community Service Act of 1990, as added by subsection (a) of this section, continue to perform such functions until the date on the Board of Directors of the Corporation for National Service conducts the first meeting of the Board. The service of such individuals as members of the Board of Directors of such Commission, and the employment of such individuals as special government employees, shall terminate on such date.

(e) **GOVERNMENT CORPORATION CONTROL.**—(1) **WHOLLY OWNED GOVERNMENT CORPORATION.**—Section 9101(3) of title 31, United States Code, is amended by inserting after subparagraph (D) the following:

"(E) the Corporation for National Service."

(2) **AUDITS.**—Section 9105(a)(1) of title 31, United States Code, is amended by inserting "or under other Federal law," before "or by an independent".

(f) **DISPOSAL OF PROPERTY.**—Section 203(k) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 484(k)) is amended by adding at the end the following:

"(5)(A) Under such regulations as the Administrator may prescribe, the Administrator is authorized, in the discretion of the Administrator, to assign to the Chairperson of the Corporation for National Service for disposal such surplus property as is recommended by the Chairperson as being needed for national service activities.

"(B) Subject to the disapproval of the Administrator, within 30 days after notice to the Administrator by the Chairperson of a proposed transfer of property for such activities, the Chairperson, through such officers or employees of the Corporation as the Chairperson may designate, may sell, lease, or donate such property to any entity that receives financial assistance under the National and Community Service Act of 1990 for such activities.

"(C) In fixing the sale or lease value of such property, the Chairperson shall comply with the requirements of paragraph (1)(C)."

(g) **TABLE OF CONTENTS.**—Section 1(b) of the National and Community Service Act of 1990 (Public Law 101-610; 104 Stat. 3127) is amended by striking the items relating to subtitle G of title I of such Act and inserting the following:

"Subtitle G—Corporation for National Service

"Sec. 191. Corporation for National Service.

"Sec. 192. Board of Directors.

"Sec. 192A. Authorities and duties of the Board of Directors.

"Sec. 193. Chairperson and Director.

"Sec. 193A. Authorities and duties of the Chairperson.

"Sec. 194. Officers.

"Sec. 194A. Corporation State offices.

"Sec. 195. Employees, consultants, and other personnel.

"Sec. 196. Administration."

(h) **EFFECTIVE DATES.**—

(1) **IN GENERAL.**—Except as provided in paragraph (2), the amendments made by this section shall take effect on October 1, 1993.

(2) **ESTABLISHMENT AND APPOINTMENT AUTHORITIES.**—Sections 191, 192, and 193 of the National and Community Service Act of 1990, as added by subsection (a), shall take effect on the date of enactment of this Act.

SEC. 203. FINAL AUTHORITIES OF THE CORPORATION FOR NATIONAL SERVICE.

(a) **NATIONAL AND COMMUNITY SERVICE ACT OF 1990.**—

(1) **APPLICATION.**—Subtitle I of the National and Community Service Act of 1990 (as amended by section 202 of this Act) is amended in section 191, paragraphs (3) and (5) of section 192A(h), section 193(c), subsections (b), (c) (other than paragraph (8)), and (d) of section 193A, subsections (c) and (e) of section 195, and subsections (a) and (b) of section 196, by striking "this Act" each place the term appears and inserting "the national service laws".

(2) **GRANTS.**—Section 192A(h) of the National and Community Service Act of 1990 (as added by section 202 of this Act) is amended—

(A) by striking "and" at the end of paragraph (8);

(B) by redesignating paragraph (9) as paragraph (10); and

(C) by inserting after paragraph (8) the following:

"(9) notwithstanding any other provision of law, make grants to or contracts with Federal or other public departments or agencies and private nonprofit organizations for the assignment or referral of volunteers under the provisions of the Domestic Volunteer Service Act of 1973 (except as provided in section 108 of the Domestic Volunteer Service Act of 1973), which may provide that the agency or organization shall pay all or a part of the costs of the program; and".

(b) **AUTHORITIES OF ACTION AGENCY.**—Sections 401 and 402 of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 5041 and 5042) are repealed.

(c) **TRANSFER OF FUNCTIONS FROM ACTION AGENCY.**—

(1) **DEFINITIONS.**—For purposes of this subsection, unless otherwise provided or indicated by the context—

(A) the term "Chairperson" means the Chairperson of the Corporation;

(B) the term "Corporation" means the Corporation for National Service, established under section 191 of the National and Community Service Act of 1990;

(C) the term "Federal agency" has the meaning given to the term "agency" by section 551(1) of title 5, United States Code;

(D) the term "function" means any duty, obligation, power, authority, responsibility, right, privilege, activity, or program; and

(E) the term "office" includes any office, administration, agency, institute, unit, organizational entity, or component thereof.

(2) **TRANSFER OF FUNCTIONS.**—There are transferred to the Corporation the functions that the Director of the ACTION Agency exercised before the effective date of this subsection (including all related functions of any officer or employee of the ACTION Agency).

(3) **DETERMINATIONS OF CERTAIN FUNCTIONS BY THE OFFICE OF MANAGEMENT AND BUDGET.**—If necessary, the Office of Management and Budget shall make any determination of the functions that are transferred under paragraph (2).

(4) **REORGANIZATION.**—The Chairperson is authorized to allocate or reallocate any function transferred under paragraph (2) among the officers of the Corporation.

(5) **TRANSFER AND ALLOCATIONS OF APPROPRIATIONS AND PERSONNEL.**—Except as otherwise provided in this subsection, the personnel employed in connection with, and the assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds employed, used, held, arising from, available to, or to be made available in connection with the functions transferred by this subsection, subject to section 1531 of title 31, United States Code, shall be transferred to the Corporation. Unexpended funds transferred pursuant to this paragraph shall be used only for the purposes for which the funds were originally authorized and appropriated.

(6) **INCIDENTAL TRANSFER.**—The Director of the Office of Management and Budget, at such time or times as the Director shall provide, is authorized to make such determinations as may be necessary with regard to the functions transferred by this subsection, and to make such additional incidental dispositions of personnel, assets, liabilities, grants, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds held, used, arising from, available to, or to be made available in connection with such functions, as may be necessary to carry out the provisions of this subsection. The Director of the Office of Management and Budget shall provide for the termination of the affairs of all entities terminated by this subsection and for such further measures and dispositions as may be necessary to effectuate the purposes of this subsection.

(7) **EFFECT ON PERSONNEL.**—

(A) **IN GENERAL.**—Except as otherwise provided by this subsection, the transfer pursuant to this subsection of full-time personnel (except special Government employees) and part-time personnel holding permanent positions shall be to positions in the Corporation subject to section 195(a)(1) of the National and Community Service Act of 1990, as added by section 202(a) of this Act, and shall not cause any such employee to be separated or reduced in grade or compensation, or to have the benefits of the employee reduced, for 1 year after the date of transfer of such employee under this subsection, and such transfer shall be deemed to be a transfer of functions for purposes of section 3503 of title 5 of the United States Code.

(B) **EXECUTIVE SCHEDULE POSITIONS.**—Except as otherwise provided in this subsection, any person who, on the day preceding the effective date of this subsection, held a position compensated in accordance with the Executive Schedule prescribed in chapter 53 of title 5, United States Code, and who, without a break in service, is appointed in the Corporation to a position having duties comparable to the duties performed immediately preceding such appointment shall continue to be compensated in such new position at not less than the rate provided for such previous position, for the duration of the service of such person in such new position.

(C) **TERMINATION OF CERTAIN POSITIONS.**—Positions whose incumbents are appointed by the President, by and with the advice and consent of the Senate, the functions of which are transferred by this subsection, shall terminate on the effective date of this subsection.

(8) **SAVINGS PROVISIONS.**—

(A) **CONTINUING EFFECT OF LEGAL DOCUMENTS.**—All orders, determinations, rules, regulations, permits, agreements, grants, contracts, certificates, licenses, registrations, privileges, and other administrative actions—

(i) that have been issued, made, granted, or allowed to become effective by the President, any Federal agency or official thereof, or by a court of competent jurisdiction, in the performance of functions that are transferred under this subsection; and

(ii) that are in effect at the time this subsection takes effect, or were final before the effective date of this subsection and are to become effective on or after the effective date of this subsection,

shall continue in effect according to their terms until modified, terminated, superseded, set aside, or revoked in accordance with law by the President, the Chairperson, or other authorized official, a court of competent jurisdiction, or by operation of law.

(B) **PROCEEDINGS NOT AFFECTED.**—The provisions of this subsection shall not affect any proceedings, including notices of proposed rule-making, or any application for any license, per-

mit, certificate, or financial assistance pending before the ACTION Agency at the time this subsection takes effect, with respect to functions transferred by this subsection but such proceedings and applications shall be continued. Orders shall be issued in such proceedings, appeals shall be taken therefrom, and payments shall be made pursuant to such orders, as if this subsection had not been enacted, and orders issued in any such proceedings shall continue in effect until modified, terminated, superseded, or revoked by a duly authorized official, by a court of competent jurisdiction, or by operation of law. Nothing in this subparagraph shall be deemed to prohibit the discontinuance or modification of any such proceeding under the same terms and conditions and to the same extent that such proceeding could have been discontinued or modified if this subsection had not been enacted.

(C) **SUITS NOT AFFECTED.**—The provisions of this subsection shall not affect suits commenced before the effective date of this subsection, and in all such suits, proceedings shall be had, appeals taken, and judgments rendered in the same manner and with the same effect as if this subsection had not been enacted.

(D) **NONABATEMENT OF ACTIONS.**—No suit, action, or other proceeding commenced by or against the ACTION Agency, or by or against any individual in the official capacity of such individual as an officer of the ACTION Agency, shall abate by reason of the enactment of this subsection.

(E) **ADMINISTRATIVE ACTIONS RELATING TO PROMULGATION OF REGULATIONS.**—Any administrative action relating to the preparation or promulgation of a regulation by the ACTION Agency relating to a function transferred under this subsection may be continued by the Corporation with the same effect as if this subsection had not been enacted.

(9) **SEVERABILITY.**—If a provision of this subsection or its application to any person or circumstance is held invalid, neither the remainder of this subsection nor the application of the provision to other persons or circumstances shall be affected.

(10) **TRANSITION.**—Prior to, or after, any transfer of a function under this subsection, the Chairperson is authorized to utilize—

(A) the services of such officers, employees, and other personnel of the ACTION Agency with respect to functions that will be or have been transferred to the Corporation by this subsection; and

(B) funds appropriated to such functions for such period of time as may reasonably be needed to facilitate the orderly implementation of this subsection.

(d) **EFFECTIVE DATE.**—

(1) **IN GENERAL.**—Except as provided in paragraph (2), this section, and the amendments made by this section, shall take effect—

(A) 18 months after the date of enactment of this Act; or

(B) on such earlier date as the President shall determine to be appropriate and announce by proclamation published in the Federal Register.

(2) **TRANSITION.**—Subsection (c)(10) shall take effect on the date of enactment of this Act.

TITLE III—REAUTHORIZATION

Subtitle A—National and Community Service Act of 1990

SEC. 301. AUTHORIZATION OF APPROPRIATIONS.

Section 501 of the National and Community Service Act of 1990 (42 U.S.C. 12681) is amended to read as follows:

"SEC. 501. AUTHORIZATION OF APPROPRIATIONS.

"(a) TITLE I.—

"(1) **SUBTITLE B.**—There are authorized to be appropriated to provide financial assistance under subtitle B of title I, \$45,000,000 for fiscal

year 1994, and such sums as may be necessary for each of the fiscal years 1995 through 1996.

"(2) **SUBTITLES C, D, AND H.**—There are authorized to be appropriated to provide financial assistance under subtitles C and H of title I, and to provide national service educational awards under subtitle D of title I, \$389,000,000 for fiscal year 1994, and such sums as may be necessary for each of the fiscal years 1995 through 1996. Of the funds appropriated under this paragraph for a fiscal year, not more than 15 percent of such funds may be made available to provide financial assistance for activities in subtitle H, section 125, or section 126.

"(3) **ADMINISTRATION.**—There are authorized to be appropriated for the administration of this Act (including subtitle G) such sums as may be necessary for each of the fiscal years 1994 through 1996.

"(b) **TITLE III.**—There are authorized to be appropriated to carry out title III \$5,000,000 for each of the fiscal years 1994 through 1996.

"(c) **AVAILABILITY OF APPROPRIATIONS.**—Funds appropriated under this section shall remain available until expended."

Subtitle B—Domestic Volunteer Service Act of 1973

SEC. 311. SHORT TITLE; REFERENCES.

(a) **SHORT TITLE.**—This subtitle may be cited as the "Domestic Volunteer Service Act Amendments of 1993".

(b) **REFERENCES.**—Except as otherwise specifically provided, whenever in this subtitle an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4950 et seq.).

CHAPTER 1—VISTA AND OTHER ANTI-POVERTY PROGRAMS

SEC. 321. PURPOSE OF THE VISTA PROGRAM.

The last sentence of section 101 (42 U.S.C. 4951) is amended to read as follows: "In addition, the objectives of this part are to generate the commitment of private sector resources, to encourage volunteer service at the local level, and to strengthen local agencies and organizations to carry out the purpose of this part."

SEC. 321A. ASSISTANT DIRECTOR FOR VISTA PROGRAM.

(a) **IN GENERAL.**—Section 102 (42 U.S.C. 4952) is amended by striking "The Director" and inserting "This part shall be administered by the Assistant Director appointed pursuant to section 195(a)(2) of the National and Community Service Act of 1990. Such Director".

(b) **EFFECTIVE DATE.**—The amendments made by subsection (a) shall take effect on the effective date of section 203(b).

SEC. 322. SELECTION AND ASSIGNMENT OF VISTA VOLUNTEERS.

(a) **VOLUNTEER ASSIGNMENTS.**—Section 103(a) (42 U.S.C. 4953(a)) is amended—

(1) in the matter preceding paragraph (1), by striking "a public" and inserting "public";

(2) in paragraph (2), by striking "and" at the end;

(3) in paragraph (3), by striking "illiterate or functionally illiterate youth and other individuals";

(4) in paragraph (5), by striking "and" at the end;

(5) in paragraph (6)—

(A) by striking "or the Community Economic" and inserting "the Community Economic";

(B) by inserting "or other similar Acts," after "1981,"; and

(C) by striking the period and inserting "and";

(6) by adding at the end the following new paragraph:

"(7) in strengthening, supplementing, and expanding efforts to address the problem of illiteracy throughout the United States."

(b) **RECRUITMENT PROCEDURES.**—Section 103(b) (42 U.S.C. 4953(b)) is amended—

(1) in paragraph (2)—
(A) by amending subparagraph (A) to read as follows:

“(2)(A) The Director shall establish and maintain within the national headquarters of the ACTION Agency (or any successor entity of such agency) a volunteer placement office which shall be responsible for all functions related to the recruitment and placement of volunteers under this part. Such functions and activities shall be carried out in coordination or in conjunction with recruitment and placement activities carried out under the National Service Trust Act of 1993.”;

(B) by striking subparagraph (C); and
(C) by redesignating subparagraph (D) as subparagraph (C);

(2) by striking paragraphs (4) and (6); and
(3) by redesignating paragraphs (5) and (7) as paragraphs (4) and (6), respectively.

(c) **PUBLIC AWARENESS AND RECRUITMENT.**—Subsection (c) of section 103 (42 U.S.C. 4953(c)) is amended—

(1) in paragraph (1)—

(A) in the 1st sentence by striking “regional or State employees designated in subparagraphs (C) and (D) of subsection (b)(2)” and inserting “personnel described in subsection (b)(2)(C)”;

(B) in the 2nd sentence, by striking “shall include” and inserting “may include”;

(C) by redesignating subparagraphs (F) and (G) as subparagraphs (G) and (H), respectively; and

(D) by inserting after subparagraph (E) the following new subparagraph:

“(F) publicizing educational awards available under the National Service Trust Act of 1993;”;

(2) by striking paragraphs (4) and (5); and

(3) by redesignating paragraph (6) as paragraph (4).

(d) **COORDINATION WITH OTHER FEDERAL AGENCIES.**—Section 103 (42 U.S.C. 4953) is amended by adding at the end the following new subsection:

“(h) The Director is encouraged to enter into agreements with other Federal agencies to use VISTA volunteers in furtherance of program objectives that are consistent with the purposes described in section 101.”.

SEC. 323. TERMS AND PERIODS OF SERVICE.

(a) **CLARIFICATION AND PERIODS OF SERVICE.**—Subsection (b) of section 104 (42 U.S.C. 4954(b)) is amended to read as follows:

“(b)(1) Volunteers serving under this part may be enrolled initially for periods of service of not less than 1 year, nor more than 2 years, except as provided in paragraph (2) or subsection (e).

“(2) Volunteers serving under this part may be enrolled for periods of service of less than 1 year if the Director determines, on an individual basis, that a period of service of less than 1 year is necessary to meet a critical scarce skill need.

“(3) Volunteers serving under this part may be reenrolled for periods of service in a manner to be determined by the Director. No volunteer shall serve for more than a total of 5 years under this part.”.

(b) **SUMMER PROGRAM.**—Section 104 (42 U.S.C. 4954) is amended by adding at the end the following new subsection:

“(e)(1) Notwithstanding any other provision of this part, the Director may enroll full-time VISTA summer associates in a program for the summer months only, under such terms and conditions as the Director shall determine to be appropriate. Such individuals shall be assigned to projects that meet the criteria set forth in section 103(a).

“(2) In preparing reports relating to programs under this Act, the Director shall report on participants, costs, and accomplishments under the summer program separately.

“(3) The limitation on funds appropriated for grants and contracts, as contained in section 108, shall not apply to the summer program.”.

SEC. 324. SUPPORT FOR VISTA VOLUNTEERS.

(a) **POSTSERVICE STIPEND.**—Section 105(a)(1) (42 U.S.C. 4955(a)(1)) is amended—

(1) by inserting “(A)” after “(a)(1)”;

(2) by striking the second sentence and inserting the following:

“(B) Such stipend shall not exceed \$95 per month in fiscal year 1994, but shall be set at a minimum of \$100 per month during the service of the volunteer after October 1, 1994. The Director may provide a stipend of a maximum of \$200 per month in the case of persons who have served as volunteers under this part for at least 1 year and who, in accordance with standards established in such regulations as the Director shall prescribe, have been designated volunteer leaders on the basis of experience and special skills and a demonstrated leadership among volunteers.

“(C) The Director shall not provide a stipend under this subsection to an individual who elects to receive a national service education award under subtitle D of title I of the National and Community Service Act of 1990.”.

(b) **SUBSISTENCE ALLOWANCE.**—Section 105(b) (42 U.S.C. 4955(b)) is amended—

(1) in paragraph (3)—

(A) by striking subparagraph (A);

(B) in subparagraph (B), by striking the subparagraph designation; and

(C) by adding at the end the following new sentence: “The Director shall review such adjustments on an annual basis to ensure that the adjustments are current.”; and

(2) by striking paragraph (4).

SEC. 325. PARTICIPATION OF YOUNGER AND OLDER PERSONS.

Section 107 (42 U.S.C. 4957) is amended to read as follows:

“SEC. 107. PARTICIPATION OF YOUNGER AND OLDER PERSONS.

“In carrying out this part and part C, the Director shall take necessary steps, including the development of special projects, where appropriate, to encourage the fullest participation of individuals 18 through 27 years of age, and individuals 55 years of age and older, in the various programs and activities authorized under such parts.”.

SEC. 326. LITERACY ACTIVITIES.

Section 109 (42 U.S.C. 4959) is amended—

(1) in subsection (g)—

(A) by striking paragraph (1); and

(B) by striking the paragraph designation of paragraph (2); and

(2) in subsection (h)—

(A) in paragraph (1) by striking “paragraphs (2) and (3)” and inserting “paragraph (2)”;

(B) by striking paragraph (3).

SEC. 327. APPLICATIONS FOR ASSISTANCE.

Section 110 (42 U.S.C. 4960) is amended to read as follows:

“SEC. 110. APPLICATIONS FOR ASSISTANCE.

“In reviewing an application for assistance under this part, the Director shall not deny such assistance to any project or program, or any public or private nonprofit organization, solely on the basis of the duration of the assistance such project, program, or organization has received under this part prior to the date of submission of the application. The Director shall grant assistance under this part on the basis of merit and to accomplish the goals of the VISTA program, and shall consider the needs and requirements of projects in existence on such date as well as potential new projects.”.

SEC. 328. REPEAL OF AUTHORITY FOR STUDENT COMMUNITY SERVICE PROGRAMS.

Part B of title I (42 U.S.C. 4971 et seq.) is amended by repealing section 114 (42 U.S.C. 4974).

SEC. 329. UNIVERSITY YEAR FOR VISTA.

(a) **PROGRAM TITLE.**—Part B of title I (42 U.S.C. 4971 et seq.) is amended—

(1) in the part heading to read as follows:

“PART B—UNIVERSITY YEAR FOR VISTA”;

(2) by striking “University Year for ACTION” each place that such term appears in such part and inserting “University Year for VISTA”;

(3) by striking “UYA” each place that such term appears in such part and inserting “UYV”; and

(4) in section 112 (42 U.S.C. 4972) by striking the section heading and inserting the following new section heading:

“AUTHORITY TO OPERATE UNIVERSITY YEAR FOR VISTA PROGRAM”.

(b) **SPECIAL CONDITIONS.**—Section 113(a) (42 U.S.C. 4973(a)) is amended—

(1) by striking “of not less than the duration of an academic year” and inserting “of not less than the duration of an academic semester or its equivalent”; and

(2) by adding at the end the following new sentence: “Volunteers may receive a living allowance and such other support or allowances as the Director determines to be appropriate.”.

SEC. 330. AUTHORITY TO ESTABLISH AND OPERATE SPECIAL VOLUNTEER AND DEMONSTRATION PROGRAMS.

Section 122 (42 U.S.C. 4992) is amended to read as follows:

“SEC. 122. AUTHORITY TO ESTABLISH AND OPERATE SPECIAL VOLUNTEER AND DEMONSTRATION PROGRAMS.

“(a) IN GENERAL.—The Director is authorized to conduct special volunteer programs for demonstration programs, or award grants to or enter into contracts with public or nonprofit organizations to carry out such programs. Such programs shall encourage wider volunteer participation on a full-time, part-time, or short-term basis to further the purpose of this part, and identify particular segments of the poverty community that could benefit from volunteer and other antipoverty efforts.

“(b) ASSIGNMENT AND SUPPORT OF VOLUNTEERS.—The assignment of volunteers under this section, and the provision of support for such volunteers, including any subsistence allowances and stipends, shall be on such terms and conditions as the Director shall determine to be appropriate, but shall not exceed the level of support provided under section 105. Projects using volunteers who do not receive stipends may also be supported under this section.

“(c) CRITERIA AND PRIORITIES.—In carrying out this section and section 123, the Director shall establish criteria and priorities for awarding grants and entering into contracts under this part in each fiscal year. No grant or contract exceeding \$100,000 shall be made under this part unless the recipient of the grant or contractor has been selected by a competitive process that includes public announcement of the availability of funds for such grant or contract, general criteria for the selection of recipients or contractors, and a description of the application process and application review process.”.

SEC. 331. TECHNICAL AND FINANCIAL ASSISTANCE.

Section 123 (42 U.S.C. 4993) is amended to read as follows:

“SEC. 123. TECHNICAL AND FINANCIAL ASSISTANCE.

“The Director may provide technical and financial assistance to Federal agencies, State and local governments and agencies, private nonprofit organizations, employers, and other private organizations that utilize or desire to utilize volunteers in carrying out the purpose of this part.”.

SEC. 332. ELIMINATION OF SEPARATE AUTHORITY FOR DRUG ABUSE PROGRAMS.

Section 124 (42 U.S.C. 4994) is repealed.

CHAPTER 2—NATIONAL SENIOR VOLUNTEER CORPS

SEC. 341. NATIONAL SENIOR VOLUNTEER CORPS.

(a) **TITLE HEADING.**—The heading for title II is amended to read as follows:

"TITLE II—NATIONAL SENIOR VOLUNTEER CORPS".

(b) REFERENCES.—

(1) Section 200(1) (42 U.S.C. 5000(1)) is amended by striking "Older American Volunteer Programs" and inserting "National Senior Volunteer Corps".

(2) The heading for section 221 (42 U.S.C. 5021) is amended by striking "OLDER AMERICAN VOLUNTEER PROGRAMS" and inserting "NATIONAL SENIOR VOLUNTEER CORPS".

(3) Section 224 (42 U.S.C. 5024) is amended—
(A) in the section heading by striking "OLDER AMERICAN VOLUNTEER PROGRAMS" and inserting "NATIONAL SENIOR VOLUNTEER CORPS"; and

(B) by striking "volunteer projects for Older Americans" and inserting "National Senior Volunteer Corps projects".

(4) Section 205(c) of the Older Americans Amendments of 1975 (Public Law 94-135; 89 Stat. 727; 42 U.S.C. 5001 note) is amended by striking "national older American volunteer programs" each place the term appears and inserting "National Senior Volunteer Corps programs".

SEC. 342. THE RETIRED AND SENIOR VOLUNTEER PROGRAM.

(a) **PART HEADING.**—The heading for part A of title II is amended by striking "RETIRED SENIOR VOLUNTEER PROGRAM" and inserting "RETIRED AND SENIOR VOLUNTEER PROGRAM".

(b) **REFERENCES.**—Section 200 (42 U.S.C. 5000) is amended by striking "retired senior volunteer program" each place that such term appears in such section and the Act and inserting "Retired and Senior Volunteer Program".

SEC. 343. OPERATION OF THE RETIRED AND SENIOR VOLUNTEER PROGRAM.

Section 201(a) (42 U.S.C. 5001(a)) is amended—
(1) in the matter preceding paragraph (1) by striking "retired persons" and inserting "retired individuals and working older individuals"; and
(2) in paragraph (2)—

(A) by striking "aged sixty or over" and inserting "55 years of age or older"; and

(B) by inserting ", and individuals 60 years of age or older will be given priority for enrollment," after "enrolled".

SEC. 344. SERVICES UNDER THE FOSTER GRANDPARENT PROGRAM.

Section 211(a) (42 U.S.C. 5011(a)) is amended by striking ", including services" and all that follows through "with special needs." and inserting a period and the following: "Such services may include services by individuals serving as foster grandparents to children with disabilities and chronic health conditions and to children who are receiving care in hospitals, who are residing in homes for dependent and neglected children, or who are receiving services provided by day care centers, schools, Head Start agencies, early intervention programs, family support programs, or other programs, establishments, or institutions providing services for children with special or exceptional needs. Individual foster grandparents may provide person-to-person services to one or more children, depending on the need for such services."

SEC. 345. STIPENDS FOR LOW-INCOME VOLUNTEERS.

Section 211(d) (42 U.S.C. 5011(d)) is amended—
(1) in the second sentence by striking "Any stipend or allowance provided under this subsection shall not be less than \$2.20 per hour until October 1, 1990, \$2.35 per hour during fiscal year 1991, and \$2.50 per hour on and after October 1, 1992," and inserting "Any stipend or allowance provided under this section shall not be less than \$2.45 per hour on and after October

1, 1993, and shall be adjusted once prior to December 31, 1997, to account for inflation, as determined by the Director and rounded to the nearest five cents,"; and
(2) by adding at the end the following:

"In establishing the amount of, and the effective date for, such adjustment, the Director, in consultation with the State commissions (as defined in section 178 of the National and Community Service Act of 1990) and the heads of the State offices established under section 195 of such Act, shall consider the effect such adjustment will have on the ability of non-Federally funded volunteer programs similar to the programs under this title to maintain their current level of volunteer hours."

SEC. 346. CONDITIONS OF GRANTS AND CONTRACTS.

Section 212(a) (42 U.S.C. 5012(a)) is amended—
(1) by striking paragraph (1), and
(2) in paragraph (2)—

(A) by striking "(2)(A)" and inserting "(1)",
(B) in paragraph (1), as so redesignated—

(i) by redesignating clauses (i) and (ii) as subparagraphs (A) and (B), respectively; and
(ii) by redesignating subclauses (I) and (II) as clauses (i) and (ii), respectively; and
(C) by striking "(B)" and inserting "(2)".

SEC. 347. AGREEMENTS WITH OTHER FEDERAL AGENCIES.

(a) **PROMOTION.**—Section 221(a) (42 U.S.C. 5021(a)) is amended—

(1) by striking "(a)" and inserting "(a)(1)"; and

(2) by adding at the end the following:

"(2) To the maximum extent practicable, the Director shall enter into agreements with—

"(A) the Department of Health and Human Services to—

"(i) involve retired and senior volunteers, and foster grandparents, in Head Start programs;

"(ii) involve retired and senior volunteers, and senior companions, in providing services authorized by title III of the Older Americans Act of 1965; and

"(iii) promote the recognition of such volunteers who are qualified to provide in-home services for reimbursement under title XVIII of the Social Security Act for providing such services;

"(B) the Department of Education to promote intergenerational tutoring and mentoring for at-risk children; and

"(C) the Environmental Protection Agency to support conservation efforts."

(b) **MINIMUM EXPENDITURE.**—Section 221(b)(3) (42 U.S.C. 5021(b)(3)) is amended by striking "\$250,000" and inserting "\$500,000".

SEC. 348. MINORITY GROUP PARTICIPATION.

Section 223 (42 U.S.C. 5023) is amended by adding at the end the following:

"Such efforts shall include using methods appropriate to communicate with individuals who have limited English proficiency."

SEC. 349. PROGRAMS OF NATIONAL SIGNIFICANCE.

Section 225 (42 U.S.C. 5025) is amended—
(1) in subsection (a)(2)(B) by striking "paragraph (10)" and inserting "paragraphs (10), (12), (15), and (16)";

(2) in subsection (b), by adding at the end the following new paragraphs:

"(12) Programs that address environmental needs.

"(13) Programs that reach out to organizations (such as labor unions and profit-making organizations) not previously involved in addressing national problems of local concern.

"(14) Programs that provide for outreach to increase participation of members of ethnic groups who have limited English proficiency.

"(15) Programs that support criminal justice activities and juvenile justice activities.

"(16) Programs that involve older volunteers working with young people in apprenticeship programs.

"(17) Programs that support the community integration of individuals with disabilities."

(3) in subsection (c)(1), by striking "under this title"; and

(4) in subsection (d), by striking paragraph (1) and inserting the following new paragraph:

"(1) Except as provided in paragraph (2), from the amounts appropriated under subsection (a), (b), (c), or (d) of section 502, for each fiscal year there shall be available to the Director such sums as may be necessary to make grants under subsection (a)."

SEC. 350. DEMONSTRATION PROGRAMS.

Title II is amended by adding at the end the following:

"PART E—DEMONSTRATION PROGRAMS

"SEC. 231. AUTHORITY OF DIRECTOR.

"(a) **IN GENERAL.**—The Director is authorized to make grants to or enter into contracts with public or nonprofit private agencies and organizations, including organizations funded under part A, B, or C, for the purposes of demonstrating innovative activities involving older individuals as volunteers. The Director may support under this part both volunteers receiving stipends and volunteers not receiving stipends.

"(b) **ACTIVITIES.**—An organization that receives a grant or enters into a contract under subsection (a) may use funds made available through the grant or contract for activities such as—

"(1) linking youth groups, and organizations whose members are older individuals, in volunteer activities;

"(2) involving older volunteers in programs and activities different from those currently supported in the community; and

"(3) testing whether programs for older volunteers may contribute to achieving new objectives or to carrying out certain national priorities."

CHAPTER 3—ADMINISTRATION

SEC. 361. PURPOSE OF AGENCY.

Section 401 (42 U.S.C. 5041) is amended—

(1) by inserting after the first sentence the following: "This Agency shall also promote the coordination of volunteer efforts among Federal, State, and local agencies and organizations, exchange technical assistance information among them, and provide technical assistance to other nations concerning domestic volunteer programs within their countries."; and

(2) by striking "Older American Volunteer Programs" each place the term appears and inserting "National Senior Volunteer Corps".

SEC. 362. AUTHORITY OF THE DIRECTOR.

Section 402 (42 U.S.C. 5042) is amended in paragraphs (5) and (6) by inserting "solicit and" before "accept" in each such paragraph.

SEC. 362A. POLITICAL ACTIVITIES.

Section 403 (42 U.S.C. 5043) is amended—

(1) by redesignating subsections (b)(2) and (c) as subsections (c) and (d), respectively;

(2) in subsection (c), as so redesignated, by redesignating subparagraphs (A) and (B) as paragraphs (1) and (2), respectively; and

(3) by striking subsection (b)(1) and inserting the following:

"(b)(1) Programs assisted under this Act shall not be carried on in a manner involving the use of funds, the provision of services, or the employment or assignment of personnel in a manner supporting or resulting in the identification of such programs with—

"(A) any partisan or nonpartisan political activity associated with a candidate, or a contending faction or group, in an election for public or party office;

"(B) any activity to provide voters or prospective voters with transportation to the polls or similar assistance in connection with any such election; or

"(C) any voter registration activity;

except that programs assisted under this Act may make voter registration applications and nonpartisan voter registration information available to the public on the premises of such programs.

"(2) In carrying out any voter registration activity permitted under paragraph (1), an individual who is affiliated with, or employed to carry out, a program assisted under this Act shall not—

"(A) indicate a preference with respect to any candidate, political party, or election issue; or

"(B) seek to influence the political or party affiliation, or voting decision, of any individual."

SEC. 363. COMPENSATION FOR VOLUNTEERS.

Section 404 (42 U.S.C. 5044) is amended—

(1) in subsection (c), by inserting "from such volunteers or from beneficiaries" after "compensation";

(2) by striking subsection (f); and

(3) by redesignating subsection (g) as subsection (f).

SEC. 364. REPEAL OF REPORT.

Section 407 (42 U.S.C. 5047) is repealed.

SEC. 365. APPLICATION OF FEDERAL LAW.

Section 415(b)(4)(A) (42 U.S.C. 5055(b)(4)(A)) is amended by striking "a grade GS-7 employee" and inserting "an employee at grade GS-5 of the General Schedule under section 5332 of title 5, United States Code".

SEC. 366. NONDISCRIMINATION PROVISIONS.

Section 417 (42 U.S.C. 5057) is amended to read as follows:

"SEC. 417. NONDISCRIMINATION PROVISIONS.

"(a) IN GENERAL.—

"(1) BASIS.—An individual with responsibility for the operation of a program that receives assistance under this Act shall not discriminate against a participant in, or member of the staff of, such program on the basis of race, color, national origin, sex, age, or political affiliation of such participant or member, or on the basis of disability, if the participant or member is a qualified individual with a disability.

"(2) DEFINITION.—As used in paragraph (1), the term 'qualified individual with a disability' has the meaning given the term in section 101(8) of the Americans with Disabilities Act of 1990 (42 U.S.C. 12111(8)).

"(b) FEDERAL FINANCIAL ASSISTANCE.—Any assistance provided under this Act shall constitute Federal financial assistance for purposes of title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.), title IX of the Education Amendments of 1972 (20 U.S.C. 1681 et seq.), section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), and the Age Discrimination Act of 1975 (42 U.S.C. 6101 et seq.).

"(c) RELIGIOUS DISCRIMINATION.—

"(1) IN GENERAL.—Except as provided in paragraph (2), an individual with responsibility for the operation of a program that receives assistance under this Act shall not discriminate on the basis of religion against a participant in such program or a member of the staff of such program who is paid with funds received under this Act.

"(2) EXCEPTION.—Paragraph (1) shall not apply to the employment, with assistance provided under this Act, of any member of the staff, of a program that receives assistance under this Act, who was employed with the organization operating the program on the date the grant under this Act was awarded.

"(d) RULES AND REGULATIONS.—The Director shall promulgate rules and regulations to provide for the enforcement of this section that shall include provisions for summary suspension of assistance for not more than 30 days, on an emergency basis, until notice and an opportunity to be heard can be provided."

SEC. 367. ELIMINATION OF SEPARATE REQUIREMENTS FOR SETTING REGULATIONS.

Section 420 (42 U.S.C. 5060) is repealed.

SEC. 368. CLARIFICATION OF ROLE OF INSPECTOR GENERAL.

Section 422 (42 U.S.C. 5062) is amended—

(1) in subsection (a), by inserting "or the Inspector General" after "Director"; and

(2) in subsection (b), by inserting "the Inspector General," after "Director" each place that such term appears.

SEC. 369. COPYRIGHT PROTECTION.

Title IV is amended by adding at the end, the following new section:

"SEC. 425. PROTECTION AGAINST IMPROPER USE.

"Whoever falsely—

"(1) advertises or represents; or

"(2) publishes or displays any sign, symbol, or advertisement, reasonably calculated to convey the impression,

that an entity is affiliated with, funded by, or operating under the authority of ACTION, VISTA, or any of the programs of the National Senior Volunteer Corps may be enjoined under an action filed by the Attorney General, on a complaint by the Director."

SEC. 372. DEPOSIT REQUIREMENT CREDIT FOR SERVICE AS A VOLUNTEER.

(a) CIVIL SERVICE RETIREMENT SYSTEM.—

(1) CREDITABLE SERVICE.—Section 8332(j) of title 5, United States Code, is amended—

(A) in paragraph (1)—

(i) in the first sentence, by inserting "the period of an individual's service as a full-time volunteer enrolled in a program of at least 1 year's duration under part A, B, or C of title I of the Domestic Volunteer Service Act of 1973," after "Economic Opportunity Act of 1964";

(ii) in the second sentence, by inserting "as a full-time volunteer enrolled in a program of at least 1 year's duration under part A, B, or C of title I of the Domestic Volunteer Service Act of 1973," after "Economic Opportunity Act of 1964"; and

(iii) in the last sentence—

(I) by inserting "or under part A, B, or C of title I of the Domestic Volunteer Service Act of 1973," after "Economic Opportunity Act of 1964"; and

(II) by inserting "or the Chairperson of the Corporation for National Service, as appropriate," after "Director of the Office of Economic Opportunity"; and

(B) by adding at the end the following new paragraph:

"(3) The provisions of paragraph (1) relating to credit for service as a volunteer or volunteer leader under the Economic Opportunity Act of 1964, part A, B, or C of title I of the Domestic Volunteer Service Act of 1973, or the Peace Corps Act shall not apply to any period of service as a volunteer or volunteer leader of an employee or Member with respect to which the employee or Member has made the deposit with interest, if any, required by section 8334(l)."

(2) DEDUCTIONS, CONTRIBUTIONS, AND DEPOSITS.—

(A) IN GENERAL.—Section 8334 of title 5, United States Code, is amended by adding at the end the following new subsection:

"(l)(1) Each employee or Member who has performed service as a volunteer or volunteer leader under part A of title VIII of the Economic Opportunity Act of 1964, as a full-time volunteer enrolled in a program of at least 1 year's duration under part A, B, or C of title I of the Domestic Volunteer Service Act of 1973, or as a volunteer or volunteer leader under the Peace Corps Act before the date of the separation on which the entitlement to any annuity under this subchapter is based may pay, in accordance with such regulations as the Office of Personnel Management shall issue, an amount equal to 7 percent of the readjustment allowance paid to the employee or Member under title VIII of the Economic Opportunity Act of 1964 or section 5(c) or 6(1) of the Peace Corps Act or the stipend

paid to the employee or Member under part A, B, or C of title I of the Domestic Volunteer Service Act of 1973, for each period of service as such a volunteer or volunteer leader.

"(2) Any deposit made under paragraph (1) more than 2 years after the later of—

"(A) October 1, 1993; or

"(B) the date on which the employee or Member making the deposit first becomes an employee or Member,

shall include interest on such amount computed and compounded annually beginning on the date of the expiration of the 2-year period. The interest rate that is applicable in computing interest in any year under this paragraph shall be equal to the interest rate that is applicable for such year under subsection (e).

"(3) The Director of the Peace Corps and the Chairperson of the Corporation for National Service shall furnish such information to the Office of Personnel Management as the Office may determine to be necessary for the administration of this subsection."

(B) CONFORMING AMENDMENT.—Section 8334(e) of title 5, United States Code, is amended in paragraphs (1) and (2) by striking "or (k)" each place that such term appears and inserting "(k), or (l)".

(C) FEDERAL EMPLOYEES' RETIREMENT SYSTEM.—

(1) CREDITABLE SERVICE.—Section 8411 of title 5, United States Code, is amended—

(A) in subsection (b)(3), by striking "subsection (f)" and inserting "subsection (f) or (h)"; and

(B) by adding at the end the following new subsection:

"(h) An employee or Member shall be allowed credit for service as a volunteer or volunteer leader under part A of title VIII of the Economic Opportunity Act of 1964, as a full-time volunteer enrolled in a program of at least 1 year's duration under part A, B, or C of title I of the Domestic Volunteer Service Act of 1973, or as a volunteer or volunteer leader under the Peace Corps Act performed at any time prior to the separation on which the entitlement to any annuity under this subchapter is based if the employee or Member has made a deposit with interest, if any, with respect to such service under section 8422(f)."

(2) DEDUCTIONS, CONTRIBUTIONS.—Section 8422 of title 5, United States Code, is amended by adding at the end the following new subsection:

"(f)(1) Each employee or Member who has performed service as a volunteer or volunteer leader under part A of title VIII of the Economic Opportunity Act of 1964, as a full-time volunteer enrolled in a program of at least 1 year's duration under part A, B, or C of title I of the Domestic Volunteer Service Act of 1973, or as a volunteer or volunteer leader under the Peace Corps Act before the date of the separation on which the entitlement to any annuity under this subchapter, or subchapter V of this chapter, is based may pay, in accordance with such regulations as the Office of Personnel Management shall issue, an amount equal to 3 percent of the readjustment allowance paid to the employee or Member under title VIII of the Economic Opportunity Act of 1964 or section 5(c) or 6(1) of the Peace Corps Act or the stipend paid to the employee or Member under part A, B, or C of title I of the Domestic Volunteer Service Act of 1973, for each period of service as such a volunteer or volunteer leader.

"(2) Any deposit made under paragraph (1) more than 2 years after the later of—

"(A) October 1, 1993; or

"(B) the date on which the employee or Member making the deposit first becomes an employee or Member,

shall include interest on such amount computed and compounded annually beginning on the

date of the expiration of the 2-year period. The interest rate that is applicable in computing interest in any year under this paragraph shall be equal to the interest rate that is applicable for such year under section 8334(e).

"(3) The Director of the Peace Corps and the Chairperson of the Corporation for National Service shall furnish such information to the Office of Personnel Management as the Office may determine to be necessary for the administration of this subsection."

(c) APPLICABILITY AND OTHER PROVISIONS.—

(1) APPLICABILITY.—

(A) AMENDMENTS RELATING TO CSRS.—

(i) IN GENERAL.—The amendments made by subsection (a) shall apply with respect to any individual entitled to an annuity on the basis of a separation from service occurring on or after the effective date of this subtitle.

(ii) RULES RELATING TO ANNUITIES BASED ON EARLIER SEPARATIONS.—An annuity under subchapter III of chapter 83 of title 5, United States Code, payable to an individual based on a separation from service occurring before the effective date of this subtitle shall be subject to the provisions of paragraph (2).

(B) AMENDMENTS RELATING TO FERS.—

(i) IN GENERAL.—The amendments made by subsection (b) shall apply with respect to any individual entitled to an annuity on the basis of a separation from service occurring before, on, or after the effective date of this subtitle, subject to clause (ii).

(ii) RULE RELATING TO ANNUITIES BASED ON EARLIER SEPARATIONS.—In the case of any individual whose entitlement to an annuity is based on a separation from service occurring before the effective date of this subtitle, any increase in such individual's annuity on the basis of a deposit made under section 8442(f) of title 5, United States Code, as amended by subsection (b)(2), shall be effective beginning with the annuity payment payable for the first calendar month beginning after the effective date of this subtitle.

(2) SPECIAL RULES.—

(A) OLD-AGE OR SURVIVORS INSURANCE BENEFITS.—Subject to subparagraph (B), in any case in which an individual described in paragraph (1)(A)(ii) is also entitled to old-age or survivors insurance benefits under section 202 of the Social Security Act (or would be entitled to such benefits upon filing an application therefor), the amount of the annuity to which such individual is entitled under subchapter III of chapter 83 of title 5, United States Code (after taking into account any creditable service as a volunteer or volunteer leader under the Economic Opportunity Act of 1964, the Domestic Volunteer Service Act of 1973, or the Peace Corps Act) which is payable for any month shall be reduced by an amount determined by multiplying the amount of such old-age or survivors insurance benefit for the determination month by a fraction—

(i) the numerator of which is the total of the wages (within the meaning of section 209 of the Social Security Act) for service as a volunteer or volunteer leader under the Economic Opportunity Act of 1964, the Domestic Volunteer Service Act of 1973, or the Peace Corps Act of such individual credited for years before the calendar year in which the determination month occurs, up to the contribution and benefit base determined under section 230 of the Social Security Act (or other applicable maximum annual amount referred to in section 215(e)(1) of such Act for each such year); and

(ii) the denominator of which is the total of all wages described in clause (i), plus all other wages (within the meaning of section 209 of such Act) and all self-employment income (within the meaning of section 211(b) of such Act) of such individual credited for years after 1936 and before the calendar year in which the deter-

mination month occurs, up to the contribution and benefit base (or such other amount referred to in section 215(e)(1) of such Act for each such year).

(B) LIMITATIONS.—

(i) Subparagraph (A) shall not reduce the annuity of an individual below the amount of the annuity which would be payable to the individual for the determination month if the provisions of section 8332(j) of title 5, United States Code, relating to service as a volunteer or volunteer leader, applied to the individual for such month.

(ii) Subparagraph (A) shall not apply in the case of an individual who, prior to the date of enactment of this Act, made a deposit for under section 8334(c) of title 5, United States Code, with respect to service as a volunteer or volunteer leader (as described in subparagraph (A)).

(iii) DETERMINATION MONTH.—For purposes of this paragraph, the term "determination month" means—

(I) the first month the individual described in paragraph (1)(A)(ii) is entitled to old-age or survivors benefits under section 202 of the Social Security Act (or would be entitled to such benefits upon filing an application therefor); or

(II) the first calendar month beginning after the date of enactment of this Act, in the case of any individual entitled to such benefits for such month.

(iv) RULE RELATING TO ANNUITIES BASED ON EARLIER SEPARATIONS.—Any increase in an annuity which occurs by virtue of the enactment of this paragraph shall be effective beginning with the annuity payment payable for the first calendar month beginning after the effective date of this subtitle.

(3) FURNISHING OF INFORMATION.—The Secretary of Health and Human Services shall furnish such information to the Office of Personnel Management as may be necessary to carry out this subsection.

(4) ACTION TO INFORM INDIVIDUALS.—The Director of the Office of Personnel Management shall take such action as may be necessary and appropriate to inform individuals entitled to credit under this section for service as a volunteer or volunteer leader, or to have any annuity recomputed, or to make a deposit under this section, of such entitlement.

CHAPTER 4—AUTHORIZATION OF APPROPRIATIONS AND OTHER AMENDMENTS

SEC. 381. AUTHORIZATION OF APPROPRIATIONS FOR TITLE I.

Section 501 (42 U.S.C. 5081) is amended to read as follows:

"SEC. 501. NATIONAL VOLUNTEER ANTIPOVERTY PROGRAMS.

"(a) AUTHORIZATIONS.—

"(1) VOLUNTEERS IN SERVICE TO AMERICA.—There are authorized to be appropriated to carry out parts A and B of title I, excluding section 109, \$56,000,000 for fiscal year 1994, and such sums as may be necessary for each of the fiscal years 1995 through 1996.

"(2) LITERACY ACTIVITIES.—There are authorized to be appropriated to carry out section 109, such sums as may be necessary for each of the fiscal years 1994 through 1996.

"(3) SPECIAL VOLUNTEER PROGRAMS.—There are authorized to be appropriated to carry out part C of title I, excluding section 125, such sums as may be necessary for each of the fiscal years 1994 through 1996.

"(4) LITERACY CHALLENGE GRANTS.—There are authorized to be appropriated to carry out section 125, such sums as may be necessary for each of the fiscal years 1994 through 1996.

"(b) SUBSISTENCE.—The minimum level of an allowance for subsistence required under section 105(b)(2), to be provided to each volunteer under title I, may not be reduced or limited in order to provide for an increase in the number of volunteer service years under part A of title I.

"(c) LIMITATION.—No part of the funds appropriated to carry out part A of title I may be used to provide volunteers or assistance to any program or project authorized under part B or C of title I, or under title II, unless the program or project meets the antipoverty criteria of part A of title I.

"(d) AVAILABILITY.—Amounts appropriated for part A of title I shall remain available for obligation until the end of the fiscal year following the fiscal year for which the amounts were appropriated.

"(e) VOLUNTEER SERVICE REQUIREMENT.—

"(1) VOLUNTEER SERVICE YEARS.—Of the amounts appropriated under this section for parts A, B, and C of title I, including section 125, there shall first be available for part A of title I, including sections 104(e) and 109, an amount not less than the amount necessary to provide 3,700 volunteer service years in fiscal year 1994, 4,000 volunteer service years in fiscal year 1995, and 4,500 volunteer service years in fiscal year 1996.

"(2) PLAN.—If the Director determines that funds appropriated to carry out part A, B, and C of title I are insufficient to provide for the years of volunteer service required by paragraph (1), the Director shall submit a plan to the relevant authorizing and appropriations committees of Congress that will detail what is necessary to fully meet this requirement."

SEC. 382. AUTHORIZATION OF APPROPRIATIONS FOR TITLE II.

Section 502 (42 U.S.C. 5082) is amended to read as follows:

"SEC. 502. NATIONAL SENIOR VOLUNTEER CORPS.

"(a) RETIRED AND SENIOR VOLUNTEER PROGRAM.—There are authorized to be appropriated to carry out part A of title II, \$53,100,000 for fiscal year 1994, and such sums as may be necessary for each of the fiscal years 1995 through 1996.

"(b) FOSTER GRANDPARENT PROGRAM.—There are authorized to be appropriated to carry out part B of title II, \$98,200,000 for fiscal year 1994, and such sums as may be necessary for each of the fiscal years 1995 through 1996.

"(c) SENIOR COMPANION PROGRAM.—There are authorized to be appropriated to carry out part C of title II, \$48,700,000 for fiscal year 1994, and such sums as may be necessary for each of the fiscal years 1995 through 1996.

"(d) DEMONSTRATION PROGRAMS.—There are authorized to be appropriated to carry out part E of title II, such sums as may be necessary for each of the fiscal years 1994 through 1996."

SEC. 383. AUTHORIZATION OF APPROPRIATIONS FOR TITLE IV.

Section 504 (42 U.S.C. 5084) is amended to read as follows:

"SEC. 504. ADMINISTRATION AND COORDINATION.

"(a) IN GENERAL.—For each of the fiscal years 1994 through 1996, there are authorized to be appropriated for the administration of this Act as provided for in title IV, 21 percent of the total amount appropriated under sections 501 and 502 with respect to such year.

"(b) EVALUATION.—For each of the fiscal years 1994 through 1996, the Director is authorized to expend not less than 2½ percent, and not more than 5 percent, of the amount appropriated under subsection (a), for the purposes prescribed in section 416."

SEC. 384. CONFORMING AMENDMENTS; COMPENSATION FOR VISTA FECA CLAIMANTS.

Section 8143(b) of title 5, United States Code, is amended by striking "GS-7" and inserting "GS-5 of the General Schedule under section 5332 of title 5, United States Code".

SEC. 385. REPEAL OF AUTHORITY.

Title VII (42 U.S.C. 5091 et seq.) is repealed.

CHAPTER 5—GENERAL PROVISIONS**SEC. 391. TECHNICAL AND CONFORMING AMENDMENTS.**

The Domestic Volunteer Service Act of 1973 (42 U.S.C. 4950 et seq.) is amended by striking "That this Act" and all that follows through the end of the table of contents and inserting the following:

"SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

"(a) **SHORT TITLE.**—This Act may be cited as the 'Domestic Volunteer Service Act of 1973'."

"(b) **TABLE OF CONTENTS.**—The table of contents is as follows:

"Sec. 1. Short title; table of contents.

"Sec. 2. Volunteerism policy.

"TITLE I—NATIONAL VOLUNTEER ANTIPOVERTY PROGRAMS**"PART A—VOLUNTEERS IN SERVICE TO AMERICA**

"Sec. 101. Statement of purpose.

"Sec. 102. Authority to operate VISTA program.

"Sec. 103. Selection and assignment of volunteers.

"Sec. 104. Terms and periods of service.

"Sec. 105. Support service.

"Sec. 106. Participation of beneficiaries.

"Sec. 107. Participation of younger and older persons.

"Sec. 108. Limitation.

"Sec. 109. VISTA Literacy Corps.

"Sec. 110. Applications for assistance.

"PART B—UNIVERSITY YEAR FOR VISTA

"Sec. 111. Statement of purpose.

"Sec. 112. Authority to operate University Year for VISTA program.

"Sec. 113. Special conditions.

"PART C—SPECIAL VOLUNTEER PROGRAMS

"Sec. 121. Statement of purpose.

"Sec. 122. Authority to establish and operate special volunteer and demonstration programs.

"Sec. 123. Technical and financial assistance for improvement of volunteer programs.

"Sec. 125. Literacy challenge grants.

"TITLE II—NATIONAL SENIOR VOLUNTEER CORPS

"Sec. 200. Statement of purposes.

"PART A—RETIRED AND SENIOR VOLUNTEER PROGRAM

"Sec. 201. Grants and contracts for volunteer service projects.

"PART B—FOSTER GRANDPARENT PROGRAM

"Sec. 211. Grants and contracts for volunteer service projects.

"Sec. 212. Conditions of grants and contracts.

"PART C—SENIOR COMPANION PROGRAM

"Sec. 213. Grants and contracts for volunteer service projects.

"PART D—GENERAL PROVISIONS

"Sec. 221. Promotion of National Senior Volunteer Corps.

"Sec. 222. Payments.

"Sec. 223. Minority group participation.

"Sec. 224. Use of locally generated contributions in National Senior Volunteer Corps.

"Sec. 225. Programs of national significance.

"Sec. 226. Adjustments to Federal financial assistance.

"Sec. 227. Multiyear grants or contracts.

"PART E—DEMONSTRATION PROGRAMS

"Sec. 231. Authority of Director.

"TITLE IV—ADMINISTRATION AND COORDINATION

"Sec. 403. Political activities.

"Sec. 404. Special limitations.

"Sec. 406. Labor standards.

"Sec. 408. Joint funding.

"Sec. 409. Prohibition of Federal control.

"Sec. 410. Coordination with other programs.

"Sec. 411. Prohibition.

"Sec. 412. Notice and hearing procedures for suspension and termination of financial assistance.

"Sec. 414. Distribution of benefits between rural and urban areas.

"Sec. 415. Application of Federal law.

"Sec. 416. Evaluation.

"Sec. 417. Nondiscrimination provisions.

"Sec. 418. Eligibility for other benefits.

"Sec. 419. Legal expenses.

"Sec. 421. Definitions.

"Sec. 422. Audit.

"Sec. 423. Reduction of paperwork.

"Sec. 424. Review of project renewals.

"Sec. 425. Protection against improper use.

"Sec. 426. Center for Research and Training.

"TITLE V—AUTHORIZATION OF APPROPRIATIONS

"Sec. 501. National volunteer antipoverty programs.

"Sec. 502. National Senior Volunteer Corps.

"Sec. 504. Administration and coordination.

"Sec. 505. Availability of appropriations.

"TITLE VI—AMENDMENTS TO OTHER LAWS AND REPEALERS

"Sec. 601. Supersession of Reorganization Plan No. 1 of July 1, 1971.

"Sec. 602. Creditable service for civil service retirement.

"Sec. 603. Repeal of title VIII of the Economic Opportunity Act.

"Sec. 604. Repeal of title VI of the Older Americans Act."

SEC. 392. EFFECTIVE DATE.

This subtitle shall become effective on October 1, 1993.

TITLE IV—TECHNICAL AND CONFORMING AMENDMENTS**SEC. 401. DEFINITION OF DIRECTOR.**

Section 421 of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 5061) is amended by striking paragraph (1) and inserting the following new paragraph:

"(1) the term 'Director' means the Chairperson and Director of the Corporation for National Service appointed under section 193 of the National and Community Service Act of 1990;"

SEC. 402. REFERENCES TO ACTION AND THE ACTION AGENCY.

(a) **DOMESTIC VOLUNTEER SERVICE ACT OF 1973.**—

(1) Section 2(b) of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4950(b)) is amended—

(A) by striking "ACTION, the Federal domestic volunteer agency," and inserting "this Act"; and

(B) by striking "ACTION" and inserting "the Corporation for National Service".

(2) Section 125(b) of such Act (42 U.S.C. 4995(b)) is amended by striking "the ACTION Agency" and inserting "the Corporation".

(3) Section 225(e) of such Act (42 U.S.C. 5025(e)) is amended by striking "the ACTION Agency" and inserting "the Corporation".

(4) Section 403(a) of such Act (42 U.S.C. 5043(a)) is amended—

(A) by striking "the ACTION Agency" the first place it appears and inserting "the Corporation under this Act"; and

(B) by striking "the ACTION Agency" the second place it appears and inserting "the Corporation".

(5) Section 408 of such Act (42 U.S.C. 5048) is amended by striking "the ACTION Agency" and inserting "the Corporation".

(6) Section 425 of such Act (as added by section 369 of this Act) is further amended by striking "ACTION" and inserting "the Corporation".

(b) **ADMINISTRATION ON CHILDREN, YOUTH, AND FAMILIES.**—Section 916(b) of the Claude Pepper Young Americans Act of 1990 (42 U.S.C. 12312(b)) is amended by striking "the Director of the ACTION Agency" and inserting "the Chairperson of the Corporation for National Service".

(c) **INSPECTOR GENERAL.**—Section 8E(a)(2) of the Inspector General Act of 1978 (5 U.S.C. App.) is amended—

(1) by striking "ACTION,"; and

(2) by inserting "the Corporation for National Service (except as provided in section 194(b) of the National and Community Service Act of 1990)," after "the Consumer Product Safety Commission,".

(d) **PUBLIC HOUSING SECURITY.**—Section 207(c) of the Public Housing Security Demonstration Act of 1978 (Public Law 95-557; 92 Stat. 2093; 12 U.S.C. 1701a-6 note) is amended—

(1) in paragraph (3)(ii), by striking "ACTION" and inserting "the Corporation for National Service"; and

(2) in paragraph (4), by striking "ACTION" and inserting "the Corporation for National Service".

(e) **NATIONAL FOREST VOLUNTEERS.**—The first section of the Volunteers in the National Forests Act of 1972 (16 U.S.C. 558a) is amended by striking "ACTION" and inserting "the Corporation for National Service".

(f) **PEACE CORPS.**—Section 2A of the Peace Corps Act (22 U.S.C. 2501-1) is amended by inserting after "the ACTION Agency" the following: "the successor to the ACTION Agency,".

(g) **INDIAN ECONOMIC DEVELOPMENT.**—Section 502 of the Indian Financing Act of 1974 (25 U.S.C. 1542) is amended by striking "and ACTION" and inserting "the Corporation for National Service,".

(h) **OLDER AMERICANS.**—The Older Americans Act of 1965 is amended—

(1) in section 202(c)(1) (42 U.S.C. 3012(c)(1)), by striking "the Director of the ACTION Agency" and inserting "the Corporation for National Service";

(2) in section 203(a)(1) (42 U.S.C. 3013(a)(1)), by striking "the ACTION Agency" and inserting "the Corporation for National Service"; and

(3) in section 422(b)(12)(C) (42 U.S.C. 3035a(b)(12)(C)), by striking "the ACTION Agency" and inserting "the Corporation for National Service".

(i) **VISTA SERVICE EXTENSION.**—Section 101(c)(1) of the Domestic Volunteer Service Act Amendments of 1989 (Public Law 101-204; 103 Stat. 1810; 42 U.S.C. 4954 note) is amended by striking "Director of the ACTION Agency" and inserting "Chairperson of the Corporation for National Service".

(j) **AGING RESOURCE SPECIALISTS.**—Section 205(c) of the Older Americans Amendments of 1975 (Public Law 94-135; 89 Stat. 727; 42 U.S.C. 5001 note) is amended—

(1) in paragraph (1)—

(A) by striking "the ACTION Agency," and inserting "the Corporation for National Service,"; and

(B) by striking "the Director of the ACTION Agency" and inserting "the Chairperson of the Corporation";

(2) in paragraph (2)(A), by striking "ACTION Agency" and inserting "Corporation"; and

(3) in paragraph (3), by striking subparagraph (A) and inserting the following new subparagraph:

"(A) the term 'Corporation' means the Corporation for National Service established by section 191 of the National and Community Service Act of 1990."

(k) **PROMOTION OF PHOTOVOLTAIC ENERGY.**—Section 11(a) of the Solar Photovoltaic Energy Research, Development, and Demonstration Act of 1978 (42 U.S.C. 5590) is amended by striking "the Director of ACTION,".

(l) COORDINATING COUNCIL ON JUVENILE JUSTICE.—Section 206(a)(1) of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5616(a)(1)) is amended by striking "the Director of the ACTION Agency" and inserting "the Chairperson of the Corporation for National Service".

(m) ENERGY CONSERVATION.—Section 413(b)(1) of the Energy Conservation and Production Act (42 U.S.C. 6863(b)(1)) is amended by striking "the Director of the ACTION Agency".

(n) INTERAGENCY COUNCIL ON THE HOMELESS.—Section 202(a) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11312(a)) is amended by striking paragraph (12) and inserting the following new paragraph:

"(12) The Chairperson of the Corporation for National Service, or the designee of the Chairperson."

(o) ANTI-DRUG ABUSE.—Section 3601 of the Anti-Drug Abuse Act of 1988 (42 U.S.C. 11851) is amended by striking paragraph (5) and inserting the following new paragraph:

"(5) the term 'Director' means the Chairperson and Director of the Corporation for National Service."

SEC. 403. DEFINITIONS.

Section 421 of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 5061) is amended—

(1) by striking "and" at the end of paragraph (6);

(2) by striking the period at the end of paragraph (7) and inserting a semicolon; and

(3) by adding at the end the following new paragraphs:

"(8) the term 'Corporation' means the Corporation for National Service established under section 191 of the National and Community Service Act of 1990;

"(9) the term 'foster grandparent' means a volunteer in the Foster Grandparent Program;

"(10) the term 'Foster Grandparent Program' means the program established under part B of title II;

"(11) the term 'Inspector General' means the Inspector General of the Corporation;

"(12) the term 'national senior volunteer' means a volunteer in the National Senior Volunteer Corps;

"(13) the term 'National Senior Volunteer Corps' means the programs established under parts A, B, C, and E of title II;

"(14) the term 'Retired and Senior Volunteer Program' means the program established under part A of title II;

"(15) the term 'retired or senior volunteer' means a volunteer in the Retired and Senior Volunteer Program;

"(16) the term 'senior companion' means a volunteer in the Senior Companion Program;

"(17) the term 'Senior Companion Program' means the program established under part C of title II;

"(18) the terms 'VISTA' and 'Volunteers in Service to America' mean the program established under part A of title I; and

"(19) the term 'VISTA volunteer' means a volunteer in VISTA."

SEC. 404. REFERENCES TO THE COMMISSION ON NATIONAL AND COMMUNITY SERVICE.

(a) NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1993.—

(1) Section 1092(b) of the National Defense Authorization Act for Fiscal Year 1993 (42 U.S.C. 12653a note) is amended—

(A) in paragraph (1)—

(i) by striking "Commission on National Community Service" and inserting "Corporation for National Service"; and

(ii) by striking "Commission shall prepare" and inserting "Board of Directors of the Corporation shall prepare"; and

(B) in paragraph (2), by striking "Board of Directors of the Commission on National and

Community Service" and inserting "Board of Directors of the Corporation for National Service".

(2) Section 1093(a) of such Act (42 U.S.C. 12653a note) is amended by striking "the Board of Directors and Executive Director of the Commission on National and Community Service" and inserting "the Board of Directors and Chairperson of the Corporation for National Service".

(3) Section 1094 of such Act (Public Law 102-484; 106 Stat. 2535) is amended—

(A) in the title, by striking "commission on national and community service" and inserting "corporation for national service";

(B) in subsection (a)—

(i) in the heading, by striking "COMMISSION" and inserting "CORPORATION";

(ii) in the first sentence, by striking "Commission on National and Community Service" and inserting "Corporation for National Service"; and

(iii) in the second sentence, by striking "The Commission" and inserting "The Chairperson of the Corporation"; and

(C) in subsection (b)—

(i) in paragraph (1), by striking "Board of Directors of the Commission on National and Community Service" and inserting "Chairperson of the Corporation for National Service"; and

(ii) in paragraph (2), by striking "the Commission" and inserting "the Chairperson of the Corporation for National Service".

(4) Section 1095 of such Act (Public Law 102-484; 106 Stat. 2535) is amended in the heading for subsection (b) by striking "COMMISSION ON NATIONAL AND COMMUNITY SERVICE" and inserting "CORPORATION FOR NATIONAL SERVICE".

(5) Section 2(b) of such Act (Public Law 102-484; 106 Stat. 2315) is amended by striking the item relating to section 1094 of such Act and inserting the following:

"Sec. 1094. Other programs of the Corporation for National Service."

(b) NATIONAL AND COMMUNITY SERVICE ACT OF 1990.—

(1) Sections 159(b)(2) (as redesignated in section 104(b)(3) of this Act) and 165 (as redesignated in section 104(b)(3) of this Act), subsections (a) and (b) of section 172, sections 176(a) and 177(c), and subsections (a), (b), and (d) through (h) of section 179, of the National and Community Service Act of 1990 (42 U.S.C. 12653h(b)(2), 12653n, 12632 (a) and (b), 12636(a), 12637(c), and 12639 (a), (b), and (d) through (h)) are each amended by striking the term "Commission" each place the term appears and inserting "Corporation".

(2) Sections 152, 157(b)(2), 159(b), 162(a)(2)(C), 164, and 166(1) of such Act (in each case, as redesignated in section 104(b)(3) of this Act) (42 U.S.C. 12653a, 12653f(b)(2), 12653h(b), 12653k(a)(2)(C), 12653m, and 12653o(1)) are each amended by striking "Commission on National and Community Service" and inserting "Corporation".

(3) Section 163(b)(9) of such Act (as redesignated in section 104(b)(3) of this Act) (42 U.S.C. 12635l(b)(9)) is amended by striking "Chair of the Commission on National and Community Service" and inserting "Chairperson".

(4) Section 303(a) of such Act (42 U.S.C. 12662(a)) is amended—

(A) by striking "The President" and inserting "The President, acting through the Corporation";

(B) by inserting "in furtherance of activities under section 302" after "section 501(b)"; and

(C) by striking "the President" both places it appears and inserting "the Corporation".

SEC. 405. REFERENCES TO DIRECTORS OF THE COMMISSION ON NATIONAL AND COMMUNITY SERVICE.

(a) CHAIRPERSON.—

(1) Section 159(a) of such Act (as redesignated in section 104(b)(3) of this Act) (42 U.S.C. 12653h(b)) is amended—

(A) by striking "BOARD.—The Board" and inserting "SUPERVISION.—The Chairperson";

(B) by striking "the Board" in the matter preceding the paragraphs and in paragraph (1) and inserting "the Chairperson"; and

(C) by striking "the Director" in paragraph (1) and inserting "the Board".

(2) Section 159(b) of such Act (as redesignated in section 104(b)(3) of this Act) (42 U.S.C. 12653h(b)) is amended by striking "(b)" and all that follows through "Director" and inserting "(b) MONITORING AND COORDINATION.—The Chairperson".

(3) Section 159(c)(1) (as redesignated in section 104(b)(3) of this Act) (12653h(c)(1)) is amended—

(A) in subparagraph (A), by striking "the Board, in consultation with the Executive Director," and inserting "the Chairperson"; and

(B) in subparagraph (B)(iii), by striking "the Board through the Executive Director" and inserting "the Chairperson".

(4) Section 166 (as redesignated in section 104(b)(3) of this Act) (42 U.S.C. 12653o) is amended—

(A) by striking paragraph (6); and

(B) by redesignating paragraphs (7) through (11) as paragraphs (6) through (10), respectively.

(b) DIRECTOR OF CIVILIAN COMMUNITY CORPS.—Sections 155(a), 157(b)(1)(A), 158(a), 159(c)(1)(A), and 163(a) (in each case, as redesignated in section 104(b)(3) of this Act) of the National and Community Service Act of 1990 (42 U.S.C. 12653d(a), 12653f(b)(1)(A), 12653g(a), 12653h(c)(1)(A), and 12653i(a)) are amended by striking "Director of the Civilian Community Corps" each place the term appears and inserting "Director".

SEC. 406. EFFECTIVE DATE.

(a) ACTION.—The amendments made by sections 401 and 402 (except subsection (c)(2)) shall take effect on the effective date of section 203.

(b) COMMISSION.—The amendments made by section 402(c)(2), and sections 403 through 405, will take effect on October 1, 1993.

The CHAIRMAN. Other than pro forma amendments for the purpose of debate, no amendment to the committee amendment in the nature of a substitute is in order unless printed in the portion of the CONGRESSIONAL RECORD designated for that purpose in clause 6 of rule XXIII prior to Tuesday, July 20, 1993.

The amendments en bloc caused to be printed by the gentleman from Michigan [Mr. FORD] shall be considered as read and shall not be subject to a demand for a division of the question.

Are there any amendments to the bill?

EN BLOC AMENDMENTS OFFERED BY MR. FORD OF MICHIGAN

Mr. FORD of Michigan. Mr. Chairman, I offer en bloc amendments.

The CHAIRMAN. The Clerk will designate the en bloc amendments.

The text of the en bloc amendments is as follows:

En bloc amendments offered by Mr. FORD of Michigan:

Page 30, beginning on line 3, strike "paragraph (1)" and insert "subparagraph (A)".

Page 11, line 18, insert the following after "cash": "(including not more than 85 percent of the cost of providing a health care policy described in section 140(d)(2))".

Beginning on page 65, strike line 19 and all that follows through line 6 on page 66, and insert the following:

"(2) OPTION.—A State or other recipient of assistance under section 121 may elect to provide from its own funds a health care policy for participants that does not meet all of the standards established by the Corporation if the fair market value of such policy is equal to or greater than the fair market value of a plan that meets the minimum standards established by the Corporation.

Page 62, line 4, insert "who participates on a full-time basis" after "participant".

Page 63, strike line 6 through 11, and insert the following:

"(5) WAIVER OR REDUCTION OF LIVING ALLOWANCE.—The Corporation may waive or reduce the requirement of paragraph (1) with respect to such national service program if such program demonstrates that—

"(A) such requirement is inconsistent with the objectives of the program; and

"(B) the amount of the living allowance that will be provided to each full-time participant is sufficient to meet the necessary costs of living (including food, housing, and transportation) in the area in which the program is located.

"(6) EXEMPTION.—The requirement of paragraph (1) shall not apply to any program which was in existence on the date of enactment of the National Service Trust Act of 1933.

Page 63, line 12, strike "(6)" and insert "(7)".

Page 70, strike lines 18 through 23, and insert the following:

"(4) WAIVER OR REDUCTION OF LIVING ALLOWANCE.—The Corporation may waive or reduce the requirement of paragraph (1) with respect to such national service program if such program demonstrates that—

"(A) such requirement is inconsistent with the objectives of the program; and

"(B) the amount of the living allowance that will be provided to each full-time participant is sufficient to meet the necessary costs of living (including food, housing, and transportation) in the area in which the program is located.

"(5) EXEMPTION.—The requirement of paragraph (1) shall not apply to any program which was in existence on the date of enactment of the National Service Trust Act of 1933.

Page 70, line 24, strike "(5)" and insert "(6)".

Page 164, strike lines 5 through 7.

Page 172, strike lines 14 through 16.

Page 185, line 2, insert the following before the period at the end: ", and shall constitute assistance to an education program or activity for purposes of title IX of the Education Amendments of 1972 (20 U.S.C. 1681 et seq.)."

Page 199, after line 5, insert the following:

"(6) LIMITATION ON MEMBER PARTICIPATION.—

"(A) GENERAL LIMITATION.—Except as provided in subparagraph (B), a voting member of the State Commission (or of an alternative administrative entity) shall not participate in the administration of the grant program (including any discussion or decision regarding the provision of assistance or approved national service positions, or the continuation, suspension, or termination of such assistance or such positions, to any program or entity) described in subsection (e)(9) in any period during which there is pending before the Commission (or such entity) a grant application submitted by a program or entity of which such member is, or in the 1-year period before the submission of such application was, an officer, director, trustee, full-time volunteer, or employee.

"(B) EXCEPTION.—If, as a result of the operation of subparagraph (A), the number of

voting members of the Commission (or of such entity) is insufficient to establish a quorum for the purpose of administering such program, then voting members excluded from participation by subparagraph (A) may participate in the administration of such program, notwithstanding the limitation in subparagraph (A), to the extent permitted by regulations issued under section 192A(h)(10) by the Corporation.

"(C) RULE OF CONSTRUCTION.—Subparagraph (A) shall be construed to limit the authority of any voting member of the Commission (or of such entity) to participate in—

"(i) discussions of, and hearing and forums on—

"(I) the general duties, policies, and operations of the Commission (or of such entity); or

"(II) the general administration of such program; or

"(ii) similar general matters relating to the Commission (or such entity).

Page 211, line 24, strike "and" at the end.

Page 212, line 2, strike the period at the end and insert "; and".

Page 212, after line 2, insert the following:

"(10) for purposes of subsection (i)(2) and section 178(d)(6)(B), issue regulations to waive the disqualification of members of the Board and members of the State Commission (or of an alternative administrative entity) selectively in a random, nondiscretionary manner and only to the extent necessary to establish the quorum involved, including rules that forbid each member of the Board and each voting member of a State Commission (or of such entity) to participate in any discussion or decision regarding the provision of assistance or approved national service positions, or the continuation, suspension, or termination of such assistance or such positions, to any program or entity of which such member of the Board or such member of the State Commission (or of such entity) is, or in the 1-year period before the submission of such application was, an officer, director, trustee, full-time volunteer, or employee.

"(i) LIMITATION OF PARTICIPATION.—

"(1) GENERAL LIMITATION.—Except as provided in paragraph (2), a member of the Board shall not participate in the administration of the grant program (including any discussion or decision regarding the provision of assistance or approved national service positions, or the continuation, suspension, or termination of such assistance or such positions, to any program or entity) described in section 121 in any period during which there is pending before the Corporation a grant application submitted by a program or entity of which such member of the Board is, or in the 1-year period before the submission of such application was, an officer, director, trustee, partner, full-time volunteer, or employee.

"(2) EXCEPTION.—If, as a result of the operation of paragraph (1), the number of members of the Board is insufficient to establish a quorum for the purpose of administering such program, then members excluded from participation by paragraph (1) may participate in the administration of such program, notwithstanding the limitation in paragraph (1), to the extent permitted by regulations issued under subsection (h)(10) by the Corporation.

"(3) RULE OF CONSTRUCTION.—Paragraph (1) shall not be construed to limit the authority of a member of the Board to participate in—

"(A) discussions of, and hearings and forums on—

"(i) the general duties, policies, and operations of the Commission (or of such entity); or

"(ii) the general administration of such program; or

"(B) similar general matters relating to the Corporation.

The CHAIRMAN. Pursuant to the rule, the amendments en bloc are not subject to a demand for division of the question.

The Chair recognizes the gentleman from Michigan [Mr. FORD].

Mr. FORD of Michigan. Mr. Chairman, my amendments include the following provisions. First, language that reflects a compromise between all interested parties about the provision of health insurance to participants in programs. Under this agreement, service sponsors wishing to offer an insurance package not in conformance with program standards but willing to pay 100 percent of the cost of health insurance must offer a policy equivalent in value to that which the Corporation may devise and may credit the cost of that health insurance against their matching requirement. The amendment also includes an agreement reached with Mr. BALLENGER to eliminate even the perception of conflicts of interest among members of the proposed State commissions and members of the board of the proposed Corporation for National Service. The amendment also makes it clear that these programs are like educational programs in matters of gender discrimination and sexual harassment are covered by title IX. My amendment also includes a modification to the amendment offered in committee by Mr. OWENS to establish a minimum living allowance in stipended programs. In his modification, Mr. OWENS provides flexibility to grandfather in existing programs that offer less than the minimum allowance, and offers a waiver to programs that demonstrate that the minimum living allowance is inconsistent with the objectives of the program and that a lower stipend is adequate for participants to meet the necessary costs of living in the area in which the program is located. Finally, the amendment strikes the authorizations for the Public Lands Corps and the Urban Youth Corps created by amendments offered by Mr. MARTINEZ and Mr. MILLER to the bill. This provision reduces the direct cost of the bill by \$85 million.

As I indicated, Mr. Chairman, these provisions are the results of agreements between interested parties and are not controversial. I urge their adoption.

□ 1300

Mr. BALLENGER. Mr. Chairman, I move to strike the last words.

Mr. Chairman, as Representative FORD stated, included in this en bloc amendment is compromise language to prevent conflicts of interest on both the proposed National Corporation and the proposed State commissions.

Essentially this agreed upon provision would suspend a member of either

the Corporation or a State commission from any funding decisions while an organization, with which the member is affiliated, has an application pending. I am glad to say that it will go beyond mere refusal of members, because it has been my experience that refusal is not always effective at preventing conflicts.

I would like to thank the gentleman from Michigan and his staff for working with me on this provision. I only regret that this amendment solves only one small problem with this bill. However, I urge support for the en bloc amendment.

The CHAIRMAN. The question is on the en bloc amendments offered by the gentleman from Michigan [Mr. FORD].

The en bloc amendments were agreed to.

AMENDMENTS, AS MODIFIED, OFFERED BY MR. FORD OF MICHIGAN

Mr. FORD of Michigan. Mr. Chairman, I offer amendments.

The Clerk read as follows:

Amendments offered by Mr. FORD of Michigan: Page 18, line 20, strike "(14)" and insert in lieu thereof the following:

"(14) A program that seeks to eliminate hunger in communities and rural areas through service in projects—

"(A) involving food banks, food pantries, and nonprofit organizations that provide food during emergencies;

"(B) involving the gleaning of prepared and unprepared food that would otherwise be discarded as unusable so that the usable portion of such food may be donated to food banks, food pantries, and other nonprofit organizations;

"(C) seeking to address the long-term causes of hunger through education and the delivery of appropriate services; or

"(D) providing training in basic health, nutrition, and life skills necessary to alleviate hunger in communities and rural areas.

"(15)

Page 77, line 6, strike "FIVE-YEAR" and insert "TEN-YEAR".

Page 77, line 9 and 19, strike "5-year" and insert "10-year".

Page 157, line 16, insert after the period the following: "The Secretaries may also authorize appropriate conservation projects and other appropriate projects to be carried out on Federal, State, local, or private lands as part of disaster prevention or relief efforts in response to an emergency or major disaster declared by the President under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.)."

Page 167, after line 19, insert the following new paragraph:

"(5) The term "Secretary" means the Secretary of Housing and Urban Development or the Secretary of Transportation.

Page 167, beginning line 22, strike "appropriate executive departments of the Federal Government" and insert "Department of Housing and Urban Development and the Department of Transportation".

Page 168, line 1, strike "Secretaries of such departments" and insert "Secretary of Housing and Urban Development and the Secretary of Transportation".

Page 168, line 16, add after the period the following new sentence: "As part of the Urban Youth Corps established in the Department of Transportation, the Secretary of Transportation may make grants to States

(and through States to local governments) for the purpose of establishing, operating, or supporting qualified urban youth corps that will perform appropriate services projects relating to transportation resources or facilities."

Page 183, line 11, strike the close quotation marks and the final period.

Page 183, after line 11, insert the following:

"(c) TREATMENT OF ABSENCE.—The period of any absence of a participant from a service position pursuant to title I of the Family and Medical Leave Act of 1993 or subchapter V of chapter 63 of title 5, United States Code, shall not be counted toward the completion of the term of service of the participant under section 139 of this Act."

Page 212, after line 2, insert the following new subsection:

"(i) COORDINATION WITH OTHER FEDERAL ACTIVITIES.—As part of the agenda of meetings of the Board under subsection (a), the Board shall review projects and programs conducted or funded by the Corporation under the national service laws to improve the coordination between such projects and programs and the activities of other Federal agencies that deal with the individuals and communities participating in or benefiting from such projects and programs. The ex officio members of the Board specified in section 192(a)(3) are encouraged to jointly plan, implement, and fund activities in connection with projects and programs conducted under the national service laws to ensure that Federal efforts attempt to address the total needs of participants, their communities, and the persons and communities they serve.

Page 232, line 2, strike the close quotation marks and the final period.

Page 232, after line 2, insert the following new section (and conform the table of contents accordingly):

"SEC. 196a. LIMITATION ON AUTHORITY TO TAKE CERTAIN ACTIONS.

"Notwithstanding any other provision of law, the Corporation or the Chairperson, as the case may be, shall not—

"(1) allocate, expend, or transfer to any other Federal agency funds made available under this Act for construction, repairs, or capital improvements;

"(2) enter into a lease for real property; or

"(3) dispose of surplus real property;

without receiving prior concurrence from the Committee on Public Works and Transportation of the House of Representatives and the Committee on Environment and Public Works of the Senate."

Page 245, after line 16, insert the following new section (and conform the table of contents accordingly):

SEC. 204. ACTIONS UNDER THE NATIONAL SERVICE LAWS TO BE SUBJECT TO THE AVAILABILITY OF APPROPRIATIONS.

No action involving the obligation or expenditure of funds may be taken under a national service law (as defined in section 101(14) of the National and Community Service Act of 1990 (42 U.S.C. 12511(14))) unless and until the Corporation for National Service has sufficient appropriations available at the time such action is taken to satisfy the obligation to be incurred or make the expenditure to be made.

Page 265, line 2, strike the close quotation marks and the semicolon.

Page 265, after line 2, insert the following:

"(18) Programs that provide health, education, and welfare services that augment the activities of State and local agencies, to be carried out in a fiscal year for which the aggregate amount of funds available to such agencies is not less than the annual average

aggregate amount of funds available to such agencies for the period of 3 fiscal years preceding such fiscal year."

At the end of the bill insert the following (and conform the table of contents of the bill):

TITLE V—GENERAL PROVISIONS

SEC. 501. COMPLIANCE WITH BUY AMERICAN ACT.

No funds appropriated pursuant to this Act (including the amendments made by this Act) may be expended by an entity unless the entity agrees that in expending the assistance the entity will comply with sections 2 through 4 of the Act of March 3, 1933 (41 U.S.C. 10a-10c, popularly known as the "Buy American Act").

SEC. 502. SENSE OF CONGRESS; REQUIREMENT REGARDING NOTICE.

(a) PURCHASE OF AMERICAN-MADE EQUIPMENT AND PRODUCTS.—In the case of any equipment or product that may be authorized to be purchased with financial assistance provided under this Act (including the amendments made by this Act), it is the sense of the Congress that entities receiving such assistance should, in expending the assistance, purchase only American-made equipment and products.

(b) NOTICE TO RECIPIENTS OF ASSISTANCE.—In providing financial assistance under this Act (including the amendments made by this Act), the Secretary of Education shall provide to each recipient of the assistance a notice describing the statement made in subsection (a) by the Congress.

SEC. 503. PROHIBITION OF CONTRACTS WITH PERSONS FALSELY LABELING PRODUCTS AS MADE IN AMERICA

If it has been finally determined by a court or Federal agency that any person intentionally affixed a label bearing a "Made in America" inscription, or any inscription with the same meaning, to any product sold in or shipped to the United States that is not made in the United States, the person shall be ineligible to receive any contract or subcontract made with funds appropriated to carry out this Act, pursuant to the debarment, suspension, and ineligibility procedures described in sections 9.400 through 9.409 of title 48, Code of Federal Regulations.

Mr. FORD of Michigan (during the reading). Mr. Chairman, I ask unanimous consent that the amendments be considered as read and printed in the RECORD, and that they be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

Mr. WALKER. Reserving the right to object, Mr. Chairman, I do not believe I will object, but I am just trying to figure out what pattern was used for deciding which amendments would be included in the en bloc amendments. These are matters which were believed to be noncontroversial, so, therefore, they were wrapped into the en bloc; the rest of the amendments were regarded as being items that were subject to some controversy, and so, therefore, could not be included in the en bloc amendments?

Mr. FORD of Michigan. Mr. Chairman, if the gentleman will yield, no, these are matters raised by Members, not members of the committee after the committee had finished its consideration of the bill. Had they been

raised by members of the committee, they probably would have been adopted in the committee, so I have no objection to adopting them now. It was not our intention in asking for pre-printing of the amendments to find a way to keep from taking amendments. It was precisely so that we could go over all those proposed amendments in detail and determine how many we could accept without having to fight about things that there was no real controversy over. These are not controversial amendments, or I would not be accepting them.

Mr. WALKER. I think the gentleman has just agreed with me. In other words, the criteria on that was used for judging these amendments is that they are noncontroversial items. They were not regarded as subjects of controversy, that the rest of the amendments were regarded as being things that were going to be controversial in nature, so, therefore, they were left out of the en bloc amendment. Is that correct?

Mr. FORD of Michigan. Well, no. I think the gentleman would find it very unusual that out of 18 amendments printed we could accept all 18 of them. I have never seen that happen since I have been here. The gentleman has spent a lot of time here as a staffer before he became a Member and I do not think he has seen it either.

I think it is kind of extraordinary that we were able to accept a majority of the amendments offered through the Rules Committee, and I would hope we could move on with that kind of progress.

We are just trying to expedite the consideration of the bill and not waste a lot of time of the Members on amendments that are not controversial.

Mr. WALKER. Further reserving the right to object, Mr. Chairman, I guess I understand the gentleman.

I have an amendment that was not included in this particular list. I assume that by not including that amendment in this bloc, it assumes that that amendment is a subject of controversy and that the idea of military service is going to be something the committee is going to fight. I am just trying to get the lay of the land.

Mr. FORD of Michigan. I do not think we will have a fight over that either, because I do not think the amendment is in order.

Mr. WALKER. I see. Well, that will have to be taken up at the appropriate time. I believe it will be.

Mr. FORD of Michigan. It is the gentleman's opinion against mine at this point. Why not wait until we get to that point and see how it plays out?

Mr. WALKER. I see. But the criteria here was a matter of controversy on each of the amendments, and that the amendments not included were regarded as those that were going to be controversial, as I understand it.

Mr. FORD of Michigan. Well, the only thing controversial is my arbitrariness in trying to evaluate each of these amendments on behalf of the committee and saying if these had been presented to the committee, the committee would have accepted them. So let us not fight them.

Mr. WALKER. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. FORD of Michigan. Mr. Chairman, I ask unanimous consent to modify the amendments en bloc to reflect a further agreement with the gentleman from Pennsylvania [Mr. GOODLING].

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The CHAIRMAN. The Clerk will report the modification to the amendments en bloc offered by the gentleman from Michigan [Mr. FORD].

The Clerk read as follows:

Modification of amendments en bloc offered by Mr. FORD of Michigan:

(1) in the matter to be inserted by the amendment on page 77, line 6, of the bill, strike "TEN-YEAR" and insert "SEVEN-YEAR"; and

(2) in the matter to be inserted by the amendment on page 77, lines 9, and 19, of the bill, strike "10-year" and insert "7-year".

□ 1310

The CHAIRMAN. The gentleman from Michigan [Mr. FORD] is recognized for 5 minutes in support of his amendments.

Mr. FORD of Michigan. Mr. Chairman, I yield to the gentlewoman from Illinois [Mrs. COLLINS].

Mrs. COLLINS of Illinois. Mr. Chairman, I rise in strong support of the amendments offered en bloc by Chairman FORD. They are reasonable and offer significant improvements to H.R. 2010, the National and Community Service Act.

Voluntarism in America has been one of the foundations of public service. In an era of growing civic duty from younger Americans, we must not forget that wise and experienced senior citizens who are young in spirit are also willing to commit their time, skills, and patience to help rebuild our cities and towns.

Among the chairman's changes to the bill is one which I offered that would include among the programs of national significance under the Retired Senior Volunteer Program [RSVP] those programs that provide health, education, and welfare services augmenting those provided by State and local agencies.

For example, public libraries may need additional volunteers to read to young children who are learning to read. Similarly, some hospitals may require additional candy strippers to cheer up sick children, and so on.

Improvements of this sort to the fine work of the RSVP will add service to State and local agencies as an important priority of RSVP, which deploys over 500,000 senior volunteers in communities all over this land.

By targeting State and local agencies, we are recognizing the often desperate condition of our schools, hospitals, libraries, community centers, and other health, education, and welfare institutions and are enlisting the help of elder volunteers in extending the capability of these institutions. These organizations, which provide vital links across our Nation, need a helping hand, and senior citizens are reaching out to offer that hand.

It is important to note that these volunteers are in no way a substitute for full-time employees and should not be viewed as a substitute or replacement for proper spending on the part of State or local governments. RSVP has always been cognizant of its volunteers' role as service-enhancers not unpaid replacement workers, and no change in their role is condoned under this amendment.

My amendment builds on a very successful set of projects that link senior citizens with community-based public and nonprofit organizations. These projects sponsor volunteers across the country. In my district of Chicago and its western suburbs volunteers are currently assisting health care workers at the VA West Side Medical Center. Foster grandparents are consoling cocaine-addicted babies at the Cook County Hospital. Retarded children are being taught living skills at the Mary Alyce School while illiterate adults are being taught to read in Maywood. In these and many other ways the 500,000 senior volunteers are testimony to the positive effect that this national effort is already having addressing community needs.

Mr. Chairman, the Retired Senior Volunteer Program and other similar programs have proven to be effective at providing volunteer help to organizations in every State. By making this slight but significant change in this program we allow State and local officials to tap the rich experience of senior and retired Americans as they confront the challenges of providing health education and welfare services today.

Mr. FORD of Michigan. Mr. Chairman, these amendments to the committee-reported bill make modest improvements in the committee's work. I support them in the spirit of cooperation and bipartisanship. The amendments considered en bloc include the following:

An amendment, modified, by Mr. GOODLING, ranking Republican on the Committee on Education and Labor, to permit educational awards to be used within 7 years of the completion of service, rather than 5 years, as provided in the bill as reported.

An amendment by Mr. HALL of Ohio to establish as a new service category programs which seek to alleviate and eliminate hunger.

An amendment by Chairman MINETA to clarify that the Urban Youth Corps contemplated by the bill would reside in the Department of Transportation and the Department of Housing and Urban Development.

An amendment by Chairman MINETA relating to the improvement, leasing, and disposition of property by the Corporation for National Service.

An amendment by Mr. WATT to improve the coordination of national service programs with the activities of Federal agencies.

An amendment by Mrs. COLLINS of Illinois adding to programs of national significance in the Retired Senior Volunteer Program, programs that provide health, education, and welfare services that augment the activities of State and local agencies.

Two amendments by Mr. TRAFICANT to require program sponsors to comply with buy-America provisions in using funds appropriated under the act and to require that any person found to have mislabeled goods "Made in America" be ineligible to receive funds under the act.

An amendment by Mr. VENTO to permit disaster prevention and relief efforts in response to an emergency or major disaster to be carried out on State, local, or private lands, rather than on only Federal lands as provided in the bill.

An amendment by Mr. DELAY to provide that no leave provided to a program participant under the Family and Medical Leave Act may be counted toward the fulfillment of a term of national service.

And finally, an amendment by Mr. GINGRICH to provide that no action involving the obligation or expenditure of funds under a national service law may be taken until the Corporation for National Service has sufficient appropriations available for that purpose.

Mr. Chairman, I urge adoption of these en bloc amendments.

Mr. GOODLING. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I filed an amendment to H.R. 2010 that would have extended the time a National Service participant would have for the use of the postservice education award from 5 years to 10 years. The amendment was designed to provide nontraditional students—which will be most of these, I would not be a bit surprised, or students who may have to delay their education—with some additional leeway to use their awards.

The amendment would also have enabled students who may not have had the need for such assistance during their undergraduate years to use such an award to pursue their graduate studies; however, I will not be offering an amendment as the gentleman from Michigan [Mr. FORD] has agreed to accept a modified form of it which extended the time of use of the education award for 7 years. I thank him for incorporating into the bill what I believe is a useful change that will provide needed flexibility, particularly to the nontraditional student.

Mr. MINETA. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the en bloc amendments offered by my

good friend and distinguished colleague, Chairman BILL FORD. Included in this package of amendments are two provisions on which I worked with the gentleman.

The first provision is designed to encourage and clarify participation by the Department of Transportation [DOT] and Housing and Urban Development [HUD] in State and local youth and conservation corps programs.

I would also like to commend the gentleman from California [Mr. MARTINEZ] for his efforts on behalf of this amendment.

Mr. Chairman, I have personally visited youth corps facilities in my home State of California and I must tell you that I was overwhelmed by the commitment and desire demonstrated by the young people in this program. The Youth Corps Program is designed to offer meaningful, full-time work to individuals ages 16 to 25.

This program is exceptional because it goes beyond the laudable goal of a jobs-for-teenagers program. Young people participating in youth and conservation corps programs have the opportunity to acquire basic life experiences, enhance citizenship values, and develop skills while performing service to their communities.

The purpose of this amendment is to allow and encourage DOT and HUD to establish youth corps related programs. This amendment is permissive. It does not mean that either Department must set up a separate office within the agency to handle a program. We fully intend to allow the Department Secretaries flexibility when interacting with State and locally established youth corps.

I am aware that Transportation Secretary Peña has expressed some concern that his agency "does not have a program structure that would easily accommodate the establishment of a jobs program for urban youth" because DOT does not directly contract for work on federally funded transportation projects.

Again, this is exactly why we have tried to build in flexibility for the administration. DOT does have limited contracting opportunities under the Federal Lands Program. DOT also provides funds to States directly for transportation enhancement activities which can be anything from historic site preservation to constructing and landscaping trails and facilities for pedestrians and bicycles. We want to allow DOT to establish a program which would allow for youth corps participation in these types of projects.

Mr. Chairman, this amendment seeks to employ young people and give them a sense of community and responsibility while also improving our Nation's infrastructure. The gentleman from Michigan [Mr. FORD] and the gentleman from California [Mr. MARTINEZ] should be commended.

The second amendment included in the en bloc amendment addresses the issue of oversight of the real estate activity by the National Service Corporation established by this legislation.

The Committee on Public Works and Transportation, and, in particular, the Subcommittee on Public Buildings and Grounds, has been diligently working to coordinate and streamline various Federal property activities, such as repairs and alterations, leasing, building acquisition, and property asset management. The goal is to realize more efficiency and, therefore, save scarce taxpayer dollars. This amendment is consistent with these goals. It will ensure that a comprehensive, cohesive policy is followed and that there is appropriate review of all Government real estate activities, and the funding associated with each activity.

Mr. Chairman, I fully expect to work closely with both the majority and minority on the Education and Labor Committee as well as the minority on the Public Works Committee as we pursue this issue in conference. At this time, this amendment is a placeholder so that we all can pursue and resolve this issue to our mutual satisfaction.

Again, I want to thank the gentleman from Michigan for his leadership on these issues and I urge my colleagues to support the en bloc amendment and final passage of H.R. 2010, the National Service Trust Act of 1993.

Mr. MARTINEZ. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the en bloc amendments.

Mr. Chairman, I will not take the full 5 minutes, but I would just rise to commend the chairman of the Committee on Public Works and Transportation, the gentleman from California [Mr. MINETA], for offering his amendment. As the amendment was originally offered in the committee, it did include these two agencies in it because of the joint jurisdiction that it would have created, and in order to expedite the bill, Mr. Chairman, we removed and only referred to those as appropriate agencies and, in report language, signified which of these agencies we are talking about as appropriate agencies. This is much better as it states emphatically in the bill itself that these two agencies are included, and for that I appreciate the willingness of the gentleman from California [Mr. MINETA] to work with us to do that, along with the gentleman from Texas [Mr. GONZALEZ], the chairman of the Committee on Banking, Finance and Urban Affairs who also had joint jurisdiction.

Mr. HALL of Ohio. Mr. Chairman, I first of all want to commend the gentleman from Michigan [Mr. FORD] and the Education and Labor Committee for their fine work on this legislation. I would also like to commend President Clinton for proposing this idea of National Service. The National Service Trust Act is a very wise and important bill; we are taking

care of many of America's pressing needs and, at the same time, building a sense of community among our people. I have no doubt, Mr. Chairman, that the National Service Trust Act will help build an economically and morally stronger America.

America has many unmet needs. One of the most important of them is the need to feed our hungry. For that reason, I urge my colleagues to support my amendment to H.R. 2010, which is included in Chairman FORD's en bloc amendment, to allow service in a project to feed the hungry to count as an eligible activity in the National Service Trust Program.

The National Service Trust Act requires that programs eligible for assistance "address unmet, human, educational, environmental, or public safety needs." With an estimated 30 million hungry people in America, America clearly has an unmet human need. Food, I believe, is the most basic of human needs, the most basic of human rights. As I learned on my first and during my service as chairman of the House Select Committee on Hunger, hunger in America is real and has profound consequences on one's ability to work, do well in school, and properly raise a family.

My amendment to eliminate hunger allows service in a project of a community or rural area that: First, involves food banks or pantries; second, involves the gleaning of food that would otherwise be left to rot in fields; third, seeks to and fourth, provides training in basic health, nutrition, and life skills necessary to alleviate hunger.

With this bill and my amendment, we have a great opportunity to combine fighting hunger with community service and building a stronger America. I commend the gentleman from Michigan [Mr. FORD] and President Clinton for their leadership, and I urge my colleagues to support this most important bill.

AMENDMENT TO H.R. 2010, AS REPORTED,
OFFERED BY MR. HALL OF OHIO

Page 18, line 20, strike "(14)" and insert in lieu thereof the following:

"(14) A program that seeks to eliminate hunger in communities and rural areas through service in projects—

"(A) involving food banks, food pantries, and nonprofit organizations that provide food during emergencies;

"(B) involving the gleaning of prepared and unprepared food that would otherwise be discarded as unusable so that the usable portion of such food may be donated to food banks, food pantries, and other nonprofit organizations;

"(C) seeking to address the long-term causes of hunger through education and the delivery of appropriate services; or

"(D) providing training in basic health, nutrition, and life skills necessary to alleviate hunger in communities and rural areas.

"(15)

Mr. VENTO. Mr. Chairman, I rise in support of the Ford en bloc amendment.

My sincere thanks to Chairman BILL FORD, of the Education and Labor Committee, for his leadership on the National Service Trust Act.

The Ford en bloc amendment contains the Vento amendment which I prepared and which would authorize the Public Lands Corps to carry out disaster prevention and relief projects in response to presidentially declared disasters. I am pleased that the chairman has agreed to incorporate my amendment into the en bloc amendment.

Mr. Chairman, we have all watched the widespread flooding take a savage toll on the farms, communities and people of the Midwest. Thousands of square miles of farmland are under water, roads and train tracks and other arteries of commerce have been washed away, and main streets of small towns and large cities have been turned into swamps. The human toll on the people of the Midwest has also been great, tempered only by the heroic efforts of individuals and organizations from across the country who have lent a helping hand in this time of need.

My amendment would provide an avenue for participants in national service to help meet the needs of those suffering from large scale disasters. Currently the Public Lands Corps is limited to working on conservation projects on Federal lands administered and owned by the Departments of Agriculture and Interior. This amendment would provide the secretaries of Agriculture and Interior with the authority to go off Federal lands to assist in emergencies such as floods, hurricanes, fires, and other disasters which don't respect property ownership lines. Disaster prevention and cleanup would be appropriate work for the Public Lands Corps since this workforce would be mobile, well trained, and accustomed to doing labor intensive work. They could be mobilized quickly and stay over the long haul when other volunteers have to leave.

While I hope our Nation can get a break from these large scale disasters which have been plaguing us in the past few years, experience tells us that we must be prepared to respond with a range of authorities and programs if that time comes again. I thank the chairman for including my amendment in the en bloc amendment.

The CHAIRMAN. The question is on the amendment as modified, offered by the gentleman from Michigan [Mr. FORD].

The amendments, as modified, were agreed to.

AMENDMENT OFFERED BY MR. GOODLING

Mr. GOODLING. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GOODLING:

Page 83, line 8, insert before the semicolon the following: "or an unsubsidized loan pursuant to section 428H (20 U.S.C. 1078-8)"

Page 86, beginning on line 17, strike out paragraph (6) and insert the following:

"(6) MAXIMUM AWARD NOT TO EXCEED FINANCIAL NEED.—The portion of an eligible individual's total available national service educational award that may be disbursed under this subsection for any period of enrollment shall not exceed \$5,000, and shall not, when combined with any other student financial assistance available to the individual (excluding any loan to such individual or such individual's parents), exceed the student's financial need as determined under part F of title IV of the Higher Education Act of 1965.

Page 90, after line 19, insert the following new paragraph (and redesignate the succeeding paragraphs accordingly):

(4) ELIGIBILITY FOR PERKINS LOANS.—Section 464(b) of the Higher Education Act of 1965 (20 U.S.C. 1087dd(b)) is amended by adding at the end the following new paragraph:

"(3) The amount of the loan to any student for any academic year shall not exceed the difference between—

"(A) the student's estimated cost of attendance (as determined under section 472); and

"(B) such student's estimated financial assistance (as determined under section 428(a)(2)(C)(i))."

Mr. GOODLING (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. GOODLING. Mr. Chairman, I preface my comments concerning this amendment by saying that I think it is a pretty, pretty sad day in the history of this House of Representatives. I have spoken to so many people about this amendment, most of which say, "Bill, you are right, the policy is correct," but they try to find an excuse not to accept it based not on what it does, but because they have made a partisan political decision that this is the way it should be, and that is a tragedy.

For those people who have served with me in this House for the last 12½ years, Mr. Chairman, I am sure can very quickly identify with the thought that President Reagan, Secretary Bennett, Secretary Alexander surely would have been very, very happy if Congressman BILL GOODLING would have gone along with every policy decision that they made and that they sent up to this Hill concerning education and nutrition. But I did not because policy decisions are too important to just be tossed aside because of partisan politics.

□ 1320

For those who represent low-income, low-middle-income, and middle-income America, I would hope you would listen very carefully to what this amendment does and does not do. These are the arguments that you will hear. There will be those who say, "Oh, but people will have to take the indebtedness first, before they can get the grants."

Now, that would mean that they have not carefully read the bill, because the bill conforms to title IV of the Higher Education Act. We even improve on that to make very sure that even the Perkins loans would come after all the grants. So anyone who uses the argument that somehow or the other my amendment would have these people go into debt before they receive the grant benefits, are positively incorrect in that assessment.

Second, you are going to hear people say that we need the social mixture—the social mixture. In other words, what a Member from Brooklyn might be saying is that we need the Rockefeller children, we need the Trump children, we need the Iacocca children, to participate in this program, to come in and work side by side, so that they can receive the educational benefit that the needy in Brooklyn or Chicago

or Los Angeles should be getting, because the money has to come from somewhere, and that is exactly where it comes from.

They have already said that we cannot continue State grants. They have already said we have to have a sizable reduction in our student work program. All of these are programs that help the needy.

Well, the next argument, then, you will get in relation to that is, "Well, the money does not come from the Education and Labor appropriation."

Mr. Chairman, there is only one pot of money out there. There is only one pot of money. It has to come from somewhere. So it does not matter whether you say it comes from this appropriation bill or that appropriation bill. You have to make the cuts in order to provide that money, and that is what is being done.

That is why I say, those Members who represent low income, middle income, low middle income, I would hope they would look seriously at my amendment.

At this particular point in connection with that I would read:

The President of the United Negro College Fund last week attacked the program. The proposed program "provides economic assistance precisely where we don't need it," said William H. Gray, II, at the annual meeting of the Council for the Advancement and Support of Education. "The National Service Program would help people without regard to income pay for college or repay student loans in exchange for community service." Mr. Gray said, "It would be a huge new demand on limited federal resources."

And that is what I am trying to say. There are others who would liken this unto the GI bill, and I cannot imagine how somebody can mix apples and oranges with a straight face. It has no resemblance to the GI bill whatsoever.

The responsibility, once you sign up for that military, you do not walk away from. You might walk away from it and be hounded the rest of your life, but you do not walk away from it. You pay one hundred bucks in a month out of your salary for 12 months. You are committed to 2 years of active, 4 years of reserve, or 3 years of active service.

Mr. Chairman, there is just no comparison. You do not get sent off to Macedonia 300 strong to be picked off like pigeons on a rooftop. You do not get sent off to fight warlords in Somalia. It is not a humanitarian effort now, fighting warloads. It is a totally different concept.

So I would hope that Members would look carefully at this. As I said from day one, my major concern about the legislation is that the money has to come from somewhere. So it has to come from those in need in order to give these grants to those who are not in need.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

(By unanimous consent, Mr. GOODLING was allowed to proceed for 5 additional minutes.)

Mr. GOODLING. Mr. Chairman, let me clarify something additionally at this particular point. No one asks anyone what their income is or what the income of their family is when they apply to participate in this program. No one asks that. That does not play any factor whatsoever.

It is not until many years down the pile where my amendment would bring that into being. At that time many of these people will qualify independent of parental income. They will probably marry, they will probably have children. They will probably not be basing anything on the income of their parents.

That question is not asked until years down the pike. It could be 2 years, it could be 3 years, it could be 5 years down the pike. With my amendment, it could be 7 years down the pike before that question is ever asked.

So let us then specifically talk about what it is I do in the amendment. First of all, it would not limit any individual from participating, regardless of income. I just explained why that is true.

Basically what I say is at the time you apply for your benefit to participate in some post-secondary program, you go through the same needs analysis that 3 to 4 million others do at that particular time. As I indicated, probably by that time many of these people will qualify. Therefore, you cannot use the argument that, we will not get a mix, because, first of all, as I said, you do not ask that question until 3 years down the pike. So you get the initial mix up front. You also get it, because in our Higher Education Act we have made it very clear during last reauthorization that if you are a family of four with \$70,000 to \$80,000 in income, depending on the college or university you may attend, you may qualify, which give you, again, a beautiful mix.

So let me summarize by saying that I basically say at the time you request the educational benefit, you then go through the needs analysis that everybody else does in order to receive that benefit. If you qualify, you receive all the grant money before one penny of loan is taken and ever becomes part of your package.

So let me just again say that if you are serving an area with low income, low middle income, or middle income, I would hope you would think seriously, because, as I said the other day, this is Robin Hood in reverse. There is no question about it. The money must come from somewhere, and we are already seeing the contracting of the amount of money available for those in need.

I would hope that we could get a positive vote on this so that I, too, could be a supporter of this program.

Mr. MCCURDY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I rise in opposition to the Goodling amendment. I do so with some reluctance, because I have a great deal of respect for the gentleman from Pennsylvania. There are many times we have agreed on some issues, and, obviously, this is one of those times that we do not agree.

We have heard a lot of debate over the past few days about national service. As I said last night during the debate on the rule, there is a lot of misconception about what national service really is.

The President of the United States, who is the chief supporter of national service in the country today and has helped move this issue to where we are, has challenged young Americans to service—challenged to service.

□ 1330

He has not gone out and said, "This is a massive way to repay back college loans." This is not a loan program.

We have heard much stated about this is paid voluntarism. National service is not intended to be a volunteer program. It is volunteered national service, but the emphasis is on the word "service."

The President talked about, during the campaign they kept reminding him that it was "the economy, stupid." Well, in this one we have to say, "It is the service, stupid." It is not a loan repayment program. It is not a job program. It is not a volunteer program. We had the 1,000 Points of Light, which was commendable, but that is not what this bill does.

This bill is service. We are challenging young Americans to serve their country and give something back for the rights and opportunities that we have that also instill and foster the ethic of citizenship and the ethic of individual responsibility and mutual responsibility, trying to emphasize community over individuals.

The gentleman from Pennsylvania made an interesting statement, said that he had a hard time equating national service with the GI bill. He said in the military, young people, men and women—which, by the way, are going to have fewer opportunities for success and upward mobility because we are cutting the military back so drastically—he said that the difference is that they are placed in harm's way; they are going to Macedonia, 300 of them.

As a member of the Committee on Armed Services and a former member of the Permanent Select Committee on Intelligence, let me tell my colleagues, these young people are going to Washington, DC. They are going to south L.A. They are going to Philadelphia. They are going to inner cities. They are there today.

There are Members who talk about terrorism around the world. We talk about Belfast, Northern Ireland. What a terrorist location that is.

My colleagues, since this year, up until June, there were 11 murders in Belfast. Up until June, there were 238 murders in Washington, DC. These young people are going to the front lines. They are providing service, and they are at risk. They are coming out of their homes, many times divided homes. They are coming out and putting their commitment, placing their commitment to try to improve the way of life in this country.

They are taking a year out of their time, perhaps 2, and for that we say, "Well, volunteer. We are not going to give you any benefit at the end of that, comparable to what we offer the military." I think that is an absurd position.

What we have to do in this Congress today is refocus what the challenges are in America today.

One of the reasons I refute the Goodling position is that by only means testing this we are defeating the concept and one of the real benefits of service.

If Members have spent a great deal of time, as I have, and I think a number of us have, over the past few years in a lot of States, last year alone in 23 States, a lot of cities, there is a lot of pathology out there today. There is a sense of loneliness and despair. There is a sense of hopelessness by many.

There are young people who do not know what they can do or where they want to go. I believe national service is one of the ways to help bring together people from less privileged homes, less privileged conditions, and those who are from very privileged.

I was in Boston at the Boston City Year Program, one of the pilot programs for national service. There were two particular young people that spoke to some of us who were there.

The CHAIRMAN. The time of the gentleman from Oklahoma [Mr. MCCURDY] has expired.

(By unanimous consent, Mr. MCCURDY was allowed to proceed for 5 additional minutes.)

Mr. MCCURDY. One young man was a Latino gang member, who was participating in this program. With him, one of his teammates in this was a graduate of Exeter.

Now, why do we have kids from privileged backgrounds dealing with kids who have different circumstances? The idea is, they learn to work together. They learn about the differences in their upbringing, little differences in their philosophy, outlook on life, hopes, and aspirations. And they look to what the vehicles of opportunity are.

The benefit of that program is the fact there was a mix. But they are both serving. They are both giving a year of their time.

The young person from Exeter probably could go to one of the finest universities in America, probably have it

paid for. But that young person said that "I may be taking a year out of my life; I may actually be reducing my opportunity vis-a-vis my classmates and others who may be on a faster track, but I will learn from that and I will be better prepared."

The other person, obviously, saw the benefits of the discipline, the service, and the opportunity to serve in that community.

Mr. Chairman, as I have said before, this is not a loan repayment. This is our country rewarding young people for serving their communities.

I recently participated in a national service conference with my distinguished colleague, the gentleman from Connecticut [Mr. SHAYS], in Illinois, at the Catigny Conference Center. This was named after a World War I battle site. A lot of retired military were there. They were probably interested in some of the comments that would be made here today about veterans and the military. This is not going to undercut military recruiting in America or compete with veterans' services. There were a number of retired admirals and generals that participated.

The conference came out with two recommendations. One is, "National service offers intangible rewards to both participants and the communities. It also provides very tangible help with community social needs. The conferees agreed that participants in the National Service Program deserve tangible rewards as well."

They also said, "Agreed that inclusivity is essential. Service programs should not be targeted to narrow constituencies. One of the values of national service is the experience it offers participants of rubbing shoulders with people different from themselves. This implies that stipends should provide adequate support so that anyone who wants to will be able to serve."

Mr. Chairman, I, again, urge my colleagues to oppose the amendments that are offered today and to support this bill.

Mr. Chairman, it is probably obvious that I am very much involved in this debate and very committed to this bill. I would like a point of personal privilege here for just a minute, in addition.

I want to thank everyone that has been involved. When we come to Washington, Members of Congress have to make some choices. If they are from the West or Southwest, where I am, we also have to make two choices. One of those choices is where to locate their family.

When I was elected in 1980, we chose, my wife and I, to locate our family in the Virginia suburbs because of school and opportunities to be with children.

The other choice we have to make is sometimes events occur and circumstances that conflict with things that we feel very deeply about. Well, the irony of ironies is that today, after

all the work and trying to get this bill to the floor, I have one of those conflicts.

I am going to beg the indulgence of my colleagues, because I am going to have to be absent myself from this debate, because my 15-year-old son is playing at 5 o'clock, 12 miles from the North Carolina border, from my friend, in South Hill in Virginia in the 15-year-old Babe Ruth State Championship Game baseball.

I tell Members, I am going to be there instead of here. I appreciate their indulgence.

Again, I urge strong support for this bill and rejection of the amendment.

Mr. Chairman, I rise in strong opposition to the amendment offered by the gentleman from Pennsylvania. This amendment seeks to apply the financial needs analysis used by Federal student financial aid programs to the educational award earned by national service participants. This would drastically reduce participation in the National Service Program.

If this amendment is passed, all young people would be eligible to perform national service. But only those students who are already eligible for direct student financial aid programs would receive a benefit in return for their service. Low-income students would be faced with the following decision: Perform community service for 1 year and receive a stipend and educational award or receive a Pell grant for no service. Middle-income students wishing to participate would be required to sacrifice 1 to 2 years to perform community service in return for a less-than-minimum wage stipend and no educational award.

Under these circumstances, who would participate in national service? Will it be students who already qualify for financial aid with no obligation? Or students who don't qualify for aid but must acquire loans and work their way through school? Which group will choose national service? I fear that this amendment will result in little or no participation.

National service is not a student financial aid program. National service is about mutual obligation. It is based on this country's guiding principle: You sacrifice for your country, and you receive a benefit in return. Young people performing the same service to their country should receive the same benefit, regardless of financial status. I urge my colleagues to oppose this amendment.

□ 1340

Mr. BALLENGER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, a lot of people do not recognize that this bill is very limited in the manner in which it is funded. It is estimated it would only involve 25,000 students, approximately, in the first year, and it would cost about \$400 million.

What I would like to say is, this money would go a lot further and would cover a lot more students if those that can afford to pay for a college education would pay for it. My compatriot, the gentleman from North Carolina, may remember back in the days when we were in the State senate

together, that we had a thing called the Science and Math School in Durham. It turned out that the daughter of my next-door neighbor, who was one of the best-paid lawyers in the State of North Carolina, won an award to go to this school, and when I found out that they were getting it absolutely free, I introduced a bill in the State senate to say that if you could afford to pay the bill, you ought to pay the bill.

The power structure in the North Carolina Legislature shot me down, and I think that it probably will shoot this amendment down. However, I do think that if we really care about trying to offer this product, or whatever we want to call it, to more students than are presently available, those that can afford to pay for college ought to pay their own way.

Mr. GOODLING. Mr. Chairman, will the gentleman yield?

Mr. BALLENGER. I yield to the gentleman from Pennsylvania.

Mr. GOODLING. I thank the gentleman for yielding to me.

Mr. Chairman, I did want to make a few observations, after the last speech. Challenge to service was one of the comments that was made. We did the same in the Peace Corps. We did not offer any educational grants in order to challenge them to service. I do not take away any stipend, I do not take away any health benefit, just needs testing when we get to the educational benefits.

The fact was also alluded to that these people will be going to this place and that place, et cetera. We could say that is similar to going to Macedonia and Somalia, except for one great big exception. If you do not like it in any of those cities or in any of those rural areas you go to, you can go back to Oklahoma. If you try to do that in Somalia, if you try to do that in Macedonia, it is just not going to work.

If it is truly necessary to entice individuals to participate in a National Service Program by offering them a benefit that they do not need, then it seems to me we would have to rethink the whole idea of this program. I would like to read another paragraph from the speech of the president of the United Negro College Fund.

"The \$7.4 billion program, which would help an estimated 150,000 rich and poor students over 4 years, could be better spent on programs designed specifically for the disadvantaged," he said.

"Under the existing Pell Grant Program, you could provide 5 million more people opportunities for higher education," for the same amount of money that you are providing 150,000.

Again, nothing is taken from the stipends that they receive for the work that they do with my amendment. Nothing is taken from the health benefits. Nothing is taken at all until they get to the point where they are ready

to go to some postsecondary higher education program. Then they would fall into the needs test that all other 3 to 4 million people fall into.

Mr. FORD of Michigan. Mr. Chairman, I move to strike the last word, and I rise in opposition to the amendment.

Mr. Chairman, I yield to the gentleman from North Carolina [Mr. WATT].

Mr. WATT. Mr. Chairman, I was going to offer and submit for the RECORD a statement on a prior amendment.

I also want to express my opposition to this amendment.

Mr. Chairman, let me first commend Chairman FORD for his excellent job in getting this legislation before us today. This is a very important bill and I am glad we are getting the opportunity to act on it so quickly.

My amendment is not controversial. It simply mandates that when the Board of the Corporation created under H.R. 2010 meets, it must review projects and programs conducted under the national service laws with the goal of improving coordination between the agencies overseeing these laws and other agencies which may also be dealing in some other capacity with the individuals or communities involved. Further, the Department Secretaries and agency heads who serve as ex officio members of the board of directors of the Corporation are directed to jointly plan, implement, and fund activities in connection with projects and programs conducted under the national service laws with an eye toward addressing the total needs of participants, their communities and the persons and communities they serve.

Over and over again, in testimony before Congress and throughout my district, I hear the same complaint: Federal programs fail to be as effective as they could be for two reasons. First, they are usually designed to address only one aspect of human and community problems, which are invariably complex and interrelated. Second, the different agencies implementing the programs have rarely stopped to ask each other how they might work together to address the overall needs of the communities and individuals they are serving. By requiring cross-departmental consultation and collaboration in the implementation and oversight of national service, my amendment will help these programs be amongst the first to operate under this innovative approach to Government.

The idea behind this approach is not novel. In fact, the Clinton administration has talked a lot about this need to work across department and program lines to address the overall problems that exist in communities. That was one of the reasons for the creation of the Economic Security Council and for the new life breathed into the Domestic Policy Council. But this amendment will provide the authorization to put this approach into effect and ensure that no matter who is in office, the executive branch will take into account the total needs of the people we are trying to serve through national service.

I urge my colleagues to join with me in supporting this common-sense approach to good government.

Mr. FORD of Michigan. Mr. Chairman, I have no question about the sincerity of the gentleman from Pennsylvania, but quite honestly, student aid is not where he has spent most of his time on the committee. If the gentleman had talked to me earlier about this, I could possibly have worked with him to understand better what the needs analysis is and how it works.

Participants who perform identical work really ought to receive identical benefits. The Goodling amendment would preclude this. I would like to give the Members three examples of how this comes about.

Let us look at a college student's family in Pennsylvania, with two parents, two children, one in college who is a student with a minimal income. The parents have no major assets other than a home or a family farm.

The average cost of attendance for a community college is \$4,500; for a public institution, a 4-year college, it is \$5,500; and for a private 4-year college, it is \$14,800.

If the typical student from our so-called typical family that I have just constructed for the Members had earned a national service award and was attending a public institution, he or she would have the \$5,000 award reduced if his or her parents earned more than \$23,500. They would receive no award if their parents earned more than \$48,000.

If our typical student had earned a national service award and was attending an expensive private institution, they would have their \$5,000 award reduced if his or her parents earned more than \$63,500, and they would receive no award if the parents earned more than \$80,000.

If our typical student had earned a national service award and was attending an average-priced community college, they would have their \$5,000 award reduced no matter how little their parents earned. They would receive no award if their parents earned more than \$45,000. This is returning to the bad old days of 1981, of trying to define people in and out of educational opportunities by parental income. It is wrong.

I do not believe that the gentleman from Pennsylvania [Mr. GOODLING] supported that when it was thrust upon his back in 1981, and I know he supported in the last Congress the lifting of those limits to recognize, even in the needs analysis that he now would apply to the benefits under this bill, the middle class. It got rather silly, as a matter of fact, during the last Congress if a stranger walked into the room to see the big-spending liberal, BILL FORD, arguing for the middle-class and the upper-class student to have access to college, and the champion of the middle class, the gentleman from Pennsylvania [Mr. GOODLING], arguing that only the poorest student should get any benefit.

There is not a meanness involved in this, but there is a destruction of what is very important to the working of this program. Means testing automatically limits the diversity of participation and undermines the effort to instill an ethic of service in all Americans without regard to their status established by their parents' income.

The bill includes specific outreach programs and targets funds to areas of economic distress, and places a priority on the recruitment of participants from areas of economic distress, but it is not a poverty program. It is not a welfare program. It does not take the paternalistic attitude that only people in low income should be afforded an opportunity to national service, and that these people, because they are the neediest, would respond in sufficient numbers to fill the program with only one class of people.

There are effective mechanisms in the legislation, as it has been drafted, to ensure diversity in the makeup of the people in national service. Unfortunately, the unintended effect of the amendment of the gentleman from Pennsylvania [Mr. GOODLING] would be to destroy that diversity.

I ask the Members to defeat the amendment.

Mr. WATT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I really did not come here to debate this amendment, but I want to address a couple of things that the gentleman from North Carolina [Mr. BALLENGER] said, since we were in the State Senate together in North Carolina, and I opposed his amendment when he was trying to means test admission to the Math and Science Institute. I oppose the gentleman's amendment for the same reason.

The purpose of the Math and Science Institute, of course, was to get students, irrespective of background, into math and science. The purpose of this bill is to get students, irrespective of background, into service, into service to our communities.

□ 1350

And it seems to me that we would be doing a grave disservice to means test this.

Since I am on the floor and responding, there has been some reference made to the motion that this money could be taken and serve a lot more needy people, and perhaps if the amendment were addressed to transfer the funds for that purpose I might be more favorably inclined toward that argument. But with all respect, this amendment simply takes it out. It is not an either/or situation. It is either eliminate the money or keep it in for this fine purpose. And I would discourage support for this amendment.

Ms. MOLINARI. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I yield to the gentleman from Pennsylvania [Mr. GOODLING].

Mr. GOODLING. Mr. Chairman, I thank the gentlewoman for yielding. I just wanted to indicate that I think the chairman's argument is with the needs analysis in the Higher Education Act, not my amendment, because that needs analysis is the cost of attending minus parent/student contribution, and that equals the need. So if you choose a community college, of course that need may be different than if you choose a private institution.

My amendment just preserves the freedom of choice as it is in the Higher Education Act. I do not change that at all.

I thank the gentlewoman for yielding.

Ms. MOLINARI. Mr. Chairman, I yield back the balance of my time.

Mr. WALKER. Mr. Chairman, I move to strike the requisite number of words and rise in support of the amendment.

Mr. Chairman, this is a rather astonishing debate. For months on the House floor we have heard about all of these bad, nasty people who exist in the country called the rich, that the rich and the well-to-do are people that should be bludgeoned in any way possible to assure that they are not capable of investing in the jobs of the future, that these rich people have ripped off the country for the past 12 years, and that something needs to be done to stop that rip-off from taking place.

So guess what we come to the House and find out today? Today we find out that what we are going to do is subsidize them. That is a rather incredible way of handling our national problems.

Now, understand what we are doing here. We are adding 25,000 new Federal employees to the payroll with this bill. Now what we are saying is that among those 25,000 new Federal employees we are going to take some of the well-to-do and the rich and we are going to subsidize their college educations as a result of this new program. And guess who is going to pay the bill for all that subsidization? It is the middle-class families that are paying on an average of \$5,000 apiece, per family in income taxes. That is right, they are going to pay their \$5,000 in income taxes so that we can add 25,000 people to the payroll and subsidize the college educations of Donald Trump's kids.

If you take that proposition to the American people, my guess is that they would laugh you out of the room. But what we do is we cover it in this fuzzy, warm feeling that everybody is going to be doing national service.

This national service is nothing but bigger Government. I understand some of my colleagues come here with the philosophy that the bigger the Government is the better it is, and the better the country is if we have bigger Government. So they are determined to

add 25,000 new Federal employees, because in their philosophy those 25,000 employees will make for a better country.

I do not think much of America agrees with that philosophy anymore, and particularly what they do not agree with is that we ought to have their taxes raised in order to pay for those 25,000 Federal employees, and that they ought to have their taxes raised in order to subsidize the college educations of very rich people.

Yet, that is exactly what the proposition is that has been brought to us in this bill. My colleague from Pennsylvania makes a very modest attempt to deal with at least one of those problems. What he says is out of the 25,000 new Federal employees, let us at least not subsidize the education of the well-to-do and the rich, and at about the \$80,000 level let us say that we cut that off, and stop subsidizing the well-to-do and the rich. Let us make certain that the subsidy money goes to the poor and the middle-income people in this country.

I do not see why that should be controversial. Those people paying \$5,000 per family in income taxes would like to think that, yes, they have got an opportunity to do something good with that money, that they might have a chance to participate in helping their kids get a college education. They are not so certain that they ought to pay for Donald Trump's kids to get a college education.

So my colleague from Pennsylvania suggests that we can take care of that problem right here. Pass this amendment, and what we assure is that middle-income America and low-income America benefit from the education benefits here and others do not. It seems to me to be an entirely feasible and rational approach, and for the life of me I do not understand why this one was not included in the noncontroversial package. It should be noncontroversial. The only people who would regard this as controversial are the people who want more and bigger government, more expensive government and subsidization of the rich.

I do not think the American people want very much of that.

Mr. GUNDERSON. Mr. Chairman, I move to strike the requisite number of words.

Mr. GUNDERSON. Mr. Chairman, I come to the well today with very mixed emotions. I do that because this amendment and this bill represents the first time in 13 years on the Education and Labor Committee that BILL GOODLING and I have disagreed. And very frankly, BILL GOODLING is one of my best personal friends in the Congress. He is without question my leader on education issues. And I do not take any joy in rising in opposition to a Goodling amendment, and I want him to know that, and frankly, I want all of

my colleagues to know that publicly as well.

But I rise because BILL GOODLING, more than anybody in this House of Representatives, would want me and you and everyone else to be true to your convictions. And BILL GOODLING and I see national service in just very different ways.

If Members believe that national service legislation is student financial aid, they should vote for the Goodling amendment, and I mean that sincerely. If, on the other hand, they see national service as not paid volunteerism, nor student financial aid, but rather a unique response of this country and its people to find innovative, creative and, yes, even less costly ways to respond to those unique and unmet problems, because we do not have the resources at the Federal, State, or local level, and we are going to find new and different ways to do it, then they should vote no.

Probably, probably the administration made a mistake. I do not think so, but listening to this debate, probably they made a mistake when they said instead of giving people \$12,000 plus salaries for national service, on a full-time annual basis, we are going to break the mold, and we are going to say what everybody, Republican and Democrat in this town has said for years, which is education is a lifelong learning necessity in the 1990's and into the 21st century, so we are going to do something very different. What we are going to do is we are going to pay them the Vista level of roughly \$7,400 for a full-time national service commitment on an annual basis. But what we will do is, above and beyond that, we will say if you choose to pursue additional education, or to pay off educational debts you already have, we will give you an educational stipend of up to \$5,000.

□ 1400

I think that is a dramatic change in public policy in this country for all of the right reasons, but I am wondering, listening to this debate, if some agree.

The second reason I oppose the Goodling amendment is because I absolutely believe the diversity of national service participants is essential if this program is going to succeed. In all due respect, I hope no one here wants a National Service Corps made up of only low-income people. That is as prejudiced in reverse as it would be on the other side. And I say that because income alone cannot be the criterion for a diverse corps that wants to succeed doing very different things.

Look at what we are talking about, ladies and gentlemen: We are talking about four primary areas, education, health care, law enforcement, and the environment. Now, we are talking about education primarily in the inner city.

Do we only want low-income people to participate in education programs in

the inner city of this country? I know nobody here believes that in any way, shape, or form. We have got to have that diversity.

But think about it. People say that this bill is costing too much. I tell you what costs too much. What costs too much is a whole classroom of young people in the inner city of L.A., New York, or elsewhere who drop out and become a part of crime. Under this bill, where there is not a teacher today, we are saying we will invite that teacher and their ideals to national service, to come and give a year of their time and their talent and to take those inner-city kids, and for that we will give them \$7,400 in salary to live on, and if, and only if, they have a student loan to pay off or they want to go back to school will we give them an educational benefit above and beyond that.

The CHAIRMAN. The time of the gentleman from Wisconsin [Mr. GUNDERSON] has expired.

(By unanimous consent, Mr. GUNDERSON was allowed to proceed for 3 additional minutes.)

Mr. GUNDERSON. And so let us assume that we have got \$7,400, we have got \$5,000 educational benefit, we have got health care, et cetera. We are roughly around the \$12,000 to \$15,000 total cost.

Do you think saving a classroom of 30 young people in the inner city of the large schools of America is not worth an investment of \$15,000? There is not a teacher in my congressional district in rural Wisconsin who starts at under \$15,000.

So let us understand what we are dealing with here.

And finally, if you want to deal with this versus that, national service versus higher education, student financial aid, there is a time to do that. It is called the Labor, Education, HHS appropriations bill. Absolutely every year you can offer an amendment that will delete any funding, any appropriation for national service and transfer every dime of that to student financial aid, and this Congress can vote yes or no on that kind of a proposal.

And so for the first time after 13 years, the gentleman from Pennsylvania [Mr. GOODLING] and I have found an issue we disagree on. I suspect if next week the chairman brings up the America 2000 education goals that the gentleman from Pennsylvania [Mr. GOODLING] and I will be back where we belong on the same side, but today, at this time, in this place, on this issue I have to ask you to vote "no" on this amendment.

Mr. MILLER of California. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, Members of the House, we must keep our eye on what we are trying to do with this legislation and what the President of the United States is asking us to do in behalf of national service.

A number of speakers have pointed out the philosophy, and that philosophy is true. We are challenging people to service.

For the last decade, we basically said that young people were selfish, not interested, and concerned only about themselves. I happened to think that was not true then, and it is not true today.

But by the same token, we have got an obligation to provide avenues of service for young people in this country who desire to give that service. To now enter this debate and try to divide the constituency and to divide the participants is a great offense to the notion of national service, because it is not a question, as the gentleman from Oklahoma [Mr. MCCURDY] said, of the National Guard or the armed services versus national service. In my hometown, we have a park. It is called the Nancy Boyd Park. Nancy Boyd was a graduate of Alhambra High School, the high school I went to, went off to the Peace Corps and was killed, and I am sure in many other communities we have memorials to members of the Peace Corps, young people who served in VISTA who died while they were in service.

Unfortunately, we will have that with the people who enter this program. Because as the gentleman from Oklahoma [Mr. MCCURDY] pointed out, these people will be working on the front line. They will be helping their society on the front lines.

The suggestion here that somehow we are subsidizing Donald Trump's children, and I do not know that he has any, but Donald Trump's children is an old debate, as the chairman pointed out we went through in 1981. People beat their breast how they were not going to give student loans or grants or educational help to rich people's children. We saw that was wrong, and we changed the laws 8 or 9 years later.

But the fact of the matter is what we are summoning here is what we believe is the best in the young people in this country.

Nobody asks Donald Trump's children if they join the Peace Corps whose children they are or when they get their stipend at the end of their service, nobody asks their income then or later, as the gentleman from Pennsylvania [Mr. GOODLING] would have us do, in the case of the young people in this program.

Why are we doing this? Because we believe, not based upon what our committee decided, but based upon what hundreds and hundreds of American citizens who have been involved in the issue or national service for many decades in some cases about what would it be that would attract people to national service where this Nation would receive the benefit, and the decision was made that a small stipend and an educational benefit would be that

package of benefits, just as in the Peace Corps. It is the small stipend and the cash benefit at the end for the Peace Corps volunteers.

And what do we get back? We are going to get some middle-income kids, hopefully some wealthy kids, with graduate degrees and master's degrees and baccalaureate degrees, and some people that have not gone to college at all, and hopefully we will get some people who have gone to vocational schools and maybe can repair engines or understand computers, and we will get that mix. We will bring those resources to our troubled communities.

The suggestion that this is a one-for-one tradeoff between people who would get a student loan because of their income versus the people who work in this program is nonsense. As the gentleman from Wisconsin [Mr. GUNDERSON] has pointed out, the multiplier of having these people in the community to help young children in school, to help young children in community service, to help young children in community programs, to be interested, to provide role models both from outside of their community and inside of their community is the multiplier that the President of the United States has asked us to consider.

This is about healing America. The races, the income groups have run away from one another. We live in different parts of our State. We live in different parts of our city. We do not share the experience of the old neighborhoods.

This is an effort to try to draw America back together.

The CHAIRMAN. The time of the gentleman from California [Mr. MILLER] has expired.

(By unanimous consent, Mr. MILLER of California was allowed to proceed for 3 additional minutes.)

Mr. MILLER of California. Mr. Chairman, that is the goal, whether it is my child or your child or the child that they would serve in national service.

Do they have the ability to share that experience, to understand, to gain empathy with the other's experience? That is why we have known for over a decade that national service has been out there in the country among the public, among our constituents. They want this program. They believe this is good for America. They believe this is good for our society. They believe that this can help bind us together as a society so we can share our cultures, we can share our experiences, we can share our communities, our understanding, and our education. That is the goal that this President has given us when he submitted this legislation.

I believe that the committee bill is true to that. I believe that it is true to that goal, that we must support it.

The effort to try to segregate this work force based upon income, or coming back and asking them after they

have provided service what their income is, is irrelevant to the goal of national service, and the purpose of this legislation.

Again, we do not do it with the Peace Corps. They get a stipend. They can do anything with it. They can use it for education or not. And we do not ask them at the end of that service, "What is your family income, what is your income, where are you going, what was your income when you signed up?" But we are all very proud of our Peace Corps workers. We are proud of the ambassadorial role they play for this country around the world.

We can be just as proud of the young people who would provide national service in America to Americans, and I would hope that we would reject this amendment.

□ 1410

Mr. PETRI. Mr. Chairman, I move to strike the requisite number of words, and I yield to the author of the amendment, the gentleman from Pennsylvania [Mr. GOODLING].

Mr. GOODLING. I thank the gentleman for yielding to me.

First of all, we have heard a lot of talk about trying to put the educational part of this amendment on the back burner. I find that very interesting, because all during the President's campaign for the Presidency, education was out front on this whole program. Up until about a month ago or 6 weeks ago, education, education, education for all was what he had in mind. It was not until his advisers made him understand that that is an awfully expensive way to try to provide education for all that he started to back off.

But would you believe that the day the House committee passed the legislation, the Senate committee passed the legislation, he made a speech out in the western part of the country complimenting us for passing this legislation because it gives educational advantages for all.

So, we cannot just put that on the back burner.

Second, as I indicated before, there is no needs analysis to enter the Peace Corps, no needs analysis to enter this corps, no needs analysis whatsoever. Anyone can enter this corps. So, we do not need to talk that somehow or other if we do not have that up there for those who do not need it, they will not enter and therefore we will not have diversity.

In fact, I think it is demeaning to tell someone that "the only reason you are getting involved here in this service effort is because you want some personal benefit for yourself, some monetary benefit or some educational benefit."

So, again, no needs test to join the corps, none whatsoever; all can participate.

Those who have that ethic and that desire will do it and will do it as they always have done it. And when you talk about Peace Corps, again you are mixing apples and oranges. Any stipend that you get to relocate when you come out is a pittance to what we are talking about here.

So, I would hope that we would put that educational bit aside and stop trying to pooh-pooh it and also get beyond the argument that somehow or other we will not have a proper mix for a program such as this, because we positively will.

Mr. MARTINEZ. Mr. Chairman, I move to strike the requisite number of words and rise in opposition to the amendment.

Mr. Chairman, in 1961, JFK challenged a whole generation of young people to think about service above self. And it was not without its reward, and it was not means-tested.

Out of that effort, the Peace Corps was born. And today we have leaders in every walk of life who are prospering, enjoying great opportunities, and still contributing and still with that spirit of contribution.

I ask my colleagues to consider if it was in our best national interest at the time to have our young people travel all over the world to places to provide service and at \$200 a month and then when they were finished with a 2-year commitment, they would receive \$5,400 to use any way they chose, to buy a car or to get education or pay off educational debt. It was theirs to use.

This is exactly the same principle. And yet I hear people totally in support of that and I do not hear anybody talking about 9,000 new Federal jobs with the Peace Corps participants.

I believe that if it was in our best national interest to do that, it is in our best national interest to send young people into our disadvantaged neighborhoods to provide those same services here at home, domestically.

The bottom line is: Can we do more for the rest of the world than we can do for our own? I think not. The bottom line is that means-testing destroys the potential for all kinds of people to participate in this program, and that is the initial reason for the legislation.

Mr. ANDREWS of New Jersey. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment, which I know is offered in good spirits, and I respectfully oppose it.

All across the country today, there are young people who are interested in serving our Nation. There are some who are interested in going into our inner cities and teaching people how to read. There are others who would like to go into our forests and areas of conservation and begin to protect and preserve those areas; there are people who want to go into crime-ridden neighborhoods and help organize community policing, citizen involvement; there are

people who want to serve their country and learn in the process of so doing.

This debate is really about what question we are going to ask those people. If we support the amendment offered by our friend, the gentleman from Pennsylvania, we are really asking those people, "How much money do your parents make? How much do they have in the bank? What are your family assets?"

If we oppose the amendment, I believe we are returning to the original spirit of this legislation, and we are asking a different question, which is, "Are you willing to make a commitment to serve your country?"

As the gentleman from Wisconsin [Mr. GUNDERSON] very well said a few minutes ago, this bill is not about financial aid, it is not about the best way to organize and rationalize a system to help people to go to college; it is about service. It is a modest, realistic, moderate stipend for people who serve their country.

I do not think we should say to the young person who wants to start a police corps, or teach a young person how to read, or help reclaim our environment, that their ability to do that is in any way limited or modified—and I accept the fact that it is only limited and modified, not excluded, by this amendment—but I do not believe it should be in any way limited or modified because of how much their mother and father have, how much their family has in the bank, or how much they themselves have earned.

We do not ask people when they enlist to serve our country in other ways, the financial position of their families. We ask them to make a commitment, we ask them to honor that commitment, and we ask them to give us the value of their service.

This is a program that says to millions of people across the country, young and old, because the program is open to young and old, "If you are willing to do the hard work of serving your country, the work that is not glamorous, in dealing with teaching children about the risks of HIV; that it is not glamorous going in and cleaning up a river; that it is not glamorous teaching people how to patrol their own streets and their own neighborhoods; that we need you and we want you, and your service is welcome." For those reasons, I would urge my colleagues to sustain the spirit of this bill and join me in opposing the amendment offered by the gentleman from Pennsylvania [Mr. GOODLING].

Mr. SHAYS. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

I am very grateful that the gentleman from Pennsylvania [Mr. GOODLING], has offered this amendment. I am particularly grateful to the chairman of the full committee for allowing

us to have an open and real debate on some incredibly essential issues as they relate to this bill.

So, I am happy the amendment was offered, and I get down on my hands and knees, figuratively, in hopes that it will be defeated because I think it puts a dagger right in the heart of this program.

I was intrigued with the comments presented by the supporter of this amendment in talking about the Rockefellers, and the Du Ponts, and the extraordinarily wealthy families who have given a great deal to this country and have gotten a great deal in return, as if somehow, this was an amendment to get them and eliminate them from the program. Then I heard our chairman of the Committee on Education and Labor talk about who we really were talking about.

□ 1420

We were talking about families that make between \$23,500 to \$48,500. If they happen to go to a university, and they make that kind of income, they will get less than \$5,000 if their income is over \$23,000. They will get no educational grant if their income is over \$48,000.

Somehow it did not strike me as the Rockefellers and the Du Ponts.

It began to make me think of some of the people who live in my districts who are not even middle class and are affected by this.

I thought of the community colleges, as the chairman read how they would be affected, and that a family that earns more than \$45,000 under this amendment will get no educational grant.

I was intrigued with the answer. There was not one, other than to say, "Well, if you don't like the way we set up our Educational Act, change it."

Well, I happen not to like it, because I think it prevents low- and middle-income people from benefiting from educational grants, and it certainly affects participants who, I hope, will be part of this program.

If you want to cause great harm to the concept of national service, I think you could in good conscience support this amendment, but with all due respect, I feel as strongly as I can state that you cause tremendous harm to the program.

If you then decide to discourage people of low- and middle-income from participating, and that is what you do, you will do it. You can shake your head, you can laugh, and you can walk around the Chamber, but the bottom line is that you will do it.

When people talk about the Peace Corps, and the motivation to join the Peace Corps, I was a Peace Corps volunteer. I had a lot of motivation to join the Peace Corps. I wanted to be in national service. I wanted to make a difference around the world, as our

President encouraged us to do, so that was there.

But there was also something else that I saw as a benefit. I realized that I could learn another language. I am not ashamed to admit it. I thought if I joined the Peace Corps, I could learn another language.

I also thought I could learn another culture. I could have the experience of living a different life. I thought that was a benefit that no one could even give a value to.

Then I think as the gentleman from Wisconsin [Mr. GUNDERSON] pointed out, what we are trying to do is get some suburban kids to go into our urban areas and get right down there, right down there where, like in Washington, DC, 2 weeks ago, 17 people were killed in 4 days.

I do not think that people who participate in national service are going to be having a wonderful time. I think it is going to be extraordinarily difficult work.

I think the minimum wage they are going to earn, not for 40 hours of work, but for 60, 70, 80 hours of work, \$2 an hour, that is what they are going to earn.

I think it makes sense that participants who perform identical work ought to receive identical benefits, but do not think the benefits are so outrageous, do not think they are so significant. They are not. It is minimum wage. It is health care benefits they may never use. They are young for the most part.

If you are from an urban area and you do not have much income, you may live at home, but some of these participants are going to leave their homes. They are going to find a place with rent and live in it at a minimum wage.

They give up their fast track to whatever they want to do as a profession. They give up a lot.

The CHAIRMAN. The time of the gentleman from Connecticut has expired.

(By unanimous consent, Mr. SHAYS was allowed to proceed for 5 additional minutes.)

Mr. SHAYS. Mr. Chairman, I do not think I will use all of the 5 minutes, but I would like them anyway.

I guess I will just conclude by saying that I believe the supporter of this amendment is sincere, but I think he is dead wrong in the impact it will have on this legislation. I think it will cause serious harm.

I hope my colleagues on this side of the aisle who may represent some of the poor areas in our districts, will not be enticed to support it, because I think they will hurt the very people they represent.

I hope people on my side of the aisle will recognize that, maybe if you live in Staten Island and make \$23,000 or \$45,000, you are not rich and you deserve the benefit, or, if you live in

Pennsylvania and make \$35,000, you are not rich, and maybe you have earned it. Maybe you have made such a wonderful contribution that you deserve it, and maybe you will use it well in your institution that you go to in the future to further your education.

Mr. Chairman, I thank my colleagues for participating in this debate, but I think this bill is underestimated. I think in the years to come, you will look back and say, "Where was I on this bill?"

I think you will want to say that it made a difference and you wished you were a part of making a difference by supporting it and not causing it harm.

Mr. STUMP. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I yield to the gentleman from Pennsylvania [Mr. GOODLING].

Mr. GOODLING. Mr. Chairman, I thank the gentleman for yielding to me.

I can accept any criticism of this amendment whatsoever, but for someone to get up and say that somehow or other I am going to exclude \$25,000 income people and \$35,000 income people is just unbelievable. It is something I cannot accept.

What I want to do is include more of those people, the \$25,000 and the \$35,000 people.

I know about the higher education bill. If you do not know how it works, then do not get up and make those kinds of statements.

I want to include. I do not want to exclude those people. I want them involved. I want them to have the benefits and I want to pay everybody else the benefits who participate—the minimum wage and for their health care. That is what I am trying to do.

I am trying to include more people, not less people in this program.

Mr. CARDIN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I yield to the gentleman from Connecticut [Mr. SHAYS].

Mr. SHAYS. Mr. Chairman, I am sorry, I say to my colleagues, that the gentleman did not give me an opportunity to ask him a question because it would be nice to understand this issue.

I guess the question I would like to ask, is the gentleman on this side of the aisle inaccurate and wrong when he says that someone who attends a university does not get their full grant at incomes of \$23,000 to \$48,000 and would not get a grant after \$48,000? I would like to know the answer to that. Would the gentleman please respond.

Mr. GOODLING. Mr. Chairman, will the gentleman yield?

Mr. CARDIN. I am happy to yield to the gentleman from Pennsylvania.

Mr. GOODLING. Mr. Chairman, if the gentleman wants time, we will take time somewhere and I will explain the

Higher Education Assistance Act to the gentleman.

You have a freedom of choice when you are going away to college. That is what it is all about. That is why I got up and said that the chairman's argument probably is not with my amendment. It is with the needs analysis in the Higher Education Assistance Act.

If you choose an expensive university and you have a \$25,000 income, you will be able to get considerable assistance for a postsecondary education.

If you chose to go to a community college with that kind of income, you will get a different kind of income from the Higher Education Act.

Mr. SHAYS. Mr. Chairman, if the gentleman would just be patient with me, I am trying to understand a statement that was made on the floor, which is true, and reconciling the gentleman's comments and what I understand to be true is that if you attend a community college, under the gentleman's amendment and make more than \$45,000, you will not qualify for any educational grants.

I am trying to understand under the gentleman's amendment if it is true that if you make between \$23,500 to \$48,500, if your grant will be reduced if you attend a university. I am not interested in a lot of rhetoric. I just want to know the answer to that question.

Mr. GOODLING. I tried to indicate to the gentleman, as I did after the chairman made his remarks, what you get is based on your family's income and the student's income. You have the freedom of choice of the institution that you go to. It has nothing to do with anything other than the needs analysis. The needs analysis says that, no, you do not get a sizable amount if you are going to a community college with a \$45,000 income.

Mr. SHAYS. You get nothing.

Mr. GOODLING. The gentleman first talked about a university, a private university, a State university. There is a needs analysis. That is what it is all about, making sure that those in need receive the benefits that they need in order to get a postsecondary education. It is just as simple as that.

Mr. SHAYS. Mr. Chairman, I thank the gentleman. I just would like to summarize what the gentleman has basically said, without saying it. I admit I do not serve on the Education Committee and I am not an expert on this issue, but the fact still remains if I attend a university and make between \$23,500 and \$48,500, my \$5,000 educational grant will be reduced. If I make more than \$48,000, I will get none under the gentleman's amendment.

Mr. GOODLING. Mr. Chairman, will the gentleman yield?

Mr. CARDIN. I am happy to yield to the gentleman from Pennsylvania.

□ 1430

Mr. GOODLING. Mr. Chairman, that is incorrect. One has to take each indi-

vidual; the needs analysis is done on each individual. I cannot give a specific figure where there is a cutoff.

There was a time when we had this program where we had a specific cutoff on income, period. Then we opened that totally and said, "Doesn't matter what your income is. You have to take each individual and specifically see the needs of each individual in order to determine whether they do or whether they don't get anything."

Mr. Chairman, I cannot give my colleague one specific figure.

Mr. SHAYS. Mr. Chairman, I thank the gentleman from Pennsylvania [Mr. GOODLING], and I thank the gentleman from Maryland [Mr. CARDIN] for having yielded, and I just say to my colleague, "That's the problem. We're not getting any answers on this side about a very important issue."

The bottom line to this is that this will impact middle income people and prevent them from getting an educational grant, and, if we come to this floor, and vote on this issue and do not recognize that, then we simply do not know the amendment.

Mr. FORD of Michigan. Mr. Chairman, will the gentleman yield?

Mr. CARDIN. I yield to the chairman of the Committee on Education and Labor.

Mr. FORD of Michigan. Mr. Chairman, I hate to see two friends quarreling when both of them are going past each other. The fact is, I say to the gentleman from Pennsylvania [Mr. GOODLING], that when I read the examples, I used Pennsylvania figures and constructed an average family of two parents, two children, one in college, with a low-income job, and then I used the average cost of a community college in the gentleman's State, the average cost of a 4-year public college and the average cost of a private college, and then put in the RECORD what would happen to that family when their child tried to attend an institution.

The gentleman from Connecticut [Mr. SHAYS] is correct. The numbers that I put in the RECORD are correct, and the gentleman from Pennsylvania [Mr. GOODLING] perhaps missed that we worked out the needs analysis for his State.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. GOODLING].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. GOODLING. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 156, noes 270, not voting 13, as follows:

[Roll No. 349]

AYES—156

Allard	Gillmor	Myers
Archer	Gingrich	Nussle
Armey	Goodlatte	Oxley
Bachus (AL)	Goodling	Paxon
Baker (CA)	Grams	Penny
Baker (LA)	Grandy	Petri
Ballenger	Greenwood	Pombo
Barrett (NE)	Hancock	Porter
Bartlett	Hansen	Portman
Barton	Hastert	Pryce (OH)
Bateman	Hefley	Quillen
Bentley	Herger	Quinn
Bilirakis	Hobson	Ramstad
Billey	Hoke	Ravenel
Boehner	Huffington	Regula
Bonilla	Hutchinson	Ridge
Brewster	Hutto	Roberts
Bunning	Hyde	Rogers
Buyer	Inglis	Rohrabacher
Callahan	Inhofe	Ros-Lehtinen
Calvert	Inslee	Roukema
Camp	Istook	Royce
Canady	Johnson, Sam	Santorum
Clinger	Kasich	Saxton
Coble	Kim	Schaefer
Collins (GA)	King	Schiff
Combest	Kingston	Sensenbrenner
Cox	Klug	Shaw
Crane	Knollenberg	Shuster
Crapo	Kolbe	Skeen
Cunningham	Kyl	Slatery
Dickey	Levy	Smith (NJ)
Doolittle	Lewis (CA)	Smith (OR)
Dreier	Lewis (FL)	Smith (TX)
Duncan	Lightfoot	Solomon
Dunn	Linder	Spence
Emerson	Livingston	Stearns
English (OK)	Manzullo	Stenholm
Everett	McCandless	Stump
Ewing	McCollum	Sundquist
Fawell	McCrery	Talent
Fields (TX)	McDade	Taylor (NC)
Fish	McHugh	Thomas (CA)
Fowler	McInnis	Thomas (WY)
Franks (CT)	McKeon	Vucanovich
Franks (NJ)	McMillan	Walker
Galgely	Meyers	Weldon
Gallo	Mica	Wolf
Gekas	Michel	Young (AK)
Geren	Miller (FL)	Young (FL)
Gibbons	Molinari	Zeliff
Gilchrest	Moorhead	Zimmer

NOES—270

Abercrombie	Clayton	Fields (LA)
Ackerman	Clement	Filner
Andrews (ME)	Clyburn	Fingerhut
Andrews (NJ)	Coleman	Flake
Andrews (TX)	Collins (IL)	Foglietta
Applegate	Collins (MI)	Ford (MI)
Bacchus (FL)	Condit	Ford (TN)
Baessler	Conyers	Frank (MA)
Barca	Cooper	Furse
Barcia	Coppersmith	Gejdenson
Barlow	Costello	Gephardt
Barrett (WI)	Coyne	Gilman
Becerra	Cramer	Glickman
Beilenson	Danner	Gonzalez
Bereuter	Darden	Gordon
Berman	de Lugo (VI)	Goss
Bevill	Deal	Green
Bilbray	DeFazio	Gunderson
Bishop	DeLauro	Gutierrez
Blackwell	Dellums	Hall (OH)
Blute	Derrick	Hall (TX)
Boehlert	Deutsch	Hamburg
Bonior	Diaz-Balart	Hamilton
Borski	Dicks	Harman
Boucher	Dingell	Hastings
Brooks	Dixon	Hayes
Browder	Dooley	Hefner
Brown (CA)	Durbin	Hilliard
Brown (FL)	Edwards (CA)	Hinchee
Brown (OH)	Edwards (TX)	Hoagland
Bryant	Engel	Hochbrueckner
Byrne	English (AZ)	Hoekstra
Cantwell	Eshoo	Holden
Cardin	Evans	Horn
Carr	Faleomavaega	Houghton
Castle	(AS)	Hoyer
Chapman	Farr	Hughes
Clay	Fazio	Jacobs

Jefferson	Mink	Scott
Johnson (CT)	Mollohan	Serrano
Johnson (GA)	Montgomery	Sharp
Johnson (SD)	Moran	Shays
Johnson, E.B.	Morella	Shepherd
Johnston	Murphy	Sisisky
Kanjorski	Murtha	Skaggs
Kaptur	Nadler	Slaughter
Kennedy	Natcher	Smith (IA)
Kennelly	Neal (MA)	Smith (MI)
Kildee	Neal (NC)	Snowe
Kleczka	Norton (DC)	Spratt
Klein	Oberstar	Stark
Klink	Obeys	Stokes
Kopetski	Oliver	Strickland
Kreidler	Ortiz	Studds
LaFalce	Orton	Stupak
Lambert	Owens	Swett
Lancaster	Pallone	Swift
Lantos	Parker	Synar
LaRocco	Pastor	Tanner
Laughlin	Payne (NJ)	Tauzin
Lazio	Payne (VA)	Taylor (MS)
Leach	Pelosi	Tejeda
Lehman	Peterson (FL)	Thompson
Levin	Peterson (MN)	Thornton
Lewis (GA)	Pickett	Thurman
Lipinski	Pickle	Torkildsen
Lloyd	Pomeroy	Torres
Long	Poshard	Torricelli
Lowe	Price (NC)	Towns
Machtley	Rahall	Trafficant
Maloney	Rangel	Tucker
Mann	Reed	Unsoeld
Manton	Reynolds	Upton
Margolies-	Richardson	Velasquez
Mezvisinsky	Roemer	Vento
Markley	Romero-Barcelo	Visclosky
Martinez	(PR)	Volkmers
Matsui	Rose	Walsh
Mazzoli	Rostenkowski	Washington
McCloskey	Roth	Waters
McDermott	Rowland	Watt
McHale	Royal-Ballard	Waxman
McKinney	Rush	Wheat
McNulty	Sabo	Whitten
Meehan	Sanders	Williams
Meek	Sangmeister	Wilson
Menendez	Sarpaluis	Wise
Mfume	Sawyer	Woolsey
Miller (CA)	Schenk	Wyden
Mineta	Schroeder	Wynn
Minge	Schumer	Yates

NOT VOTING—13

Burton	Henry	Skelton
de la Garza	Hunter	Underwood (GU)
DeLay	McCurdy	Valentine
Dornan	Moakley	
Frost	Packard	

□ 1456

The Clerk announced the following pair:

On this vote:

Mr. DeLay for, with Mr. McCurdy against.

Mr. MURPHY changed his vote from "aye" to "no."

Mr. SHAW and Mr. ENGLISH of Oklahoma changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. BALLENGER

Mr. BALLENGER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BALLENGER:

In section 129(d)(2) of the National and Community Service Act of 1990, as added by section 101(b) of the bill strike "(including labor organizations)".

In section 130(b) of the National and Community Service Act of 1990, as added by section 101(b) of the bill, strike paragraph (12) and insert the following:

"(12) A description of the manner and extent to which participants, representatives

of the community served, and community-based agencies with a demonstrated record of experience in providing services contributed to the development of the national service programs referred to in paragraphs (1) and (2).

In section 130 of the National and Community Service Act of 1990, as added by section 101(b) of the bill—

(1) strike subsection (e), and

(2) redesignate subsection (f) as subsection (e).

In section 131(c) of the National and Community Service Act of 1990, as added by section 101(b) of the bill, strike paragraphs (1) through (3), and insert the following:

"(1) provide in the design, recruitment, and operation of the program for broad-based input from—

"(A) the community served and potential participants in the program; and

"(B) community-based agencies with a demonstrated report of experience in providing services, if these entities exist in the area to be served by the program; and

"(2) in the case of a program that is not funded through a State, consult with and coordinate activities with the State Commission for the State in which the program operates.

In section 114(d)(5) of the National and Community Service Act of 1990, as added by section 103(a) of the bill—

(1) strike subparagraphs (A), and

(2) redesignate subparagraphs (B) and (C) as subparagraphs (A) and (B), respectively.

In section 119(d)(2) of the National and Community Service Act of 1990, as added by section 103(a), strike subparagraph (B) and insert the following:

"(B) assurances that the applicant will comply with the nonduplication and non-displacement provisions of section 177 and grievance procedure requirements of section 176(f); and

Mr. BALLENGER (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. BALLENGER. Mr. Chairman, the National Service Trust Act contains a provision that will create a blatant conflict-of-interest. For this reason, I am offering an amendment that would remove this provision.

Let me explain. Under this bill, labor unions are permitted to apply for grants in order to provide for community service. Ironically, the other grant applicants must consult with, and in some cases receive the concurrence of those same labor unions, who may apply for those same grants. The unions have the power to influence the outcome of grants to nonunion applicants, while they themselves may apply to those same grants. This distinct advantage given to labor unions, over other applicants, is ludicrous.

Labor unions insist that this provision is necessary to prevent displacement of union workers by the national service volunteers. But the National and Community Service Act already provides the necessary safeguards against displacement of union workers

from jobs similar to those set up as national service positions. Union members are protected by the nonduplication and nondisplacement provisions (Section 177, National and Community Service Act, P.L. 101-610) already in law. The unions do not need this additional protection, or should I say influence.

During the committee's consideration of the National Service Trust Act, I offered an amendment to delete this obvious conflict-of-interest provision. Unfortunately, the amendment was gutted, and the problem remains. I am offering my amendment today because it is imperative that we eliminate this unethical conflict-of-interest provision.

Whether you are in favor of, or opposed to this bill for national service, I urge you to support my amendment. This amendment is essential in order to delete this provision that is rife with the potential for abuse.

□ 1500

Mr. FORD of Michigan. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the amendment deletes requirements for consultation on community service program applications and placements with local unions representing employees engaged in the same or similar work in the community. The amendment also deletes a requirement that a program applicant secure the concurrence of any labor organization representing its employees who are doing work which is the same or similar to that proposed to be carried out by participants assigned to the program applicant. The provision only would apply to service sponsors whose employees belong to a labor organization.

The Ballenger amendment should be opposed for the following reasons:

First, labor union consultation/concurrence provisions are critical safeguards against substitution and displacement of the regular work force.

As stated in the bill, a primary purpose is "to meet the unmet, human, education, environmental, and the public safety needs of the United States, without displacing existing workers." Local unions which represent employees in the workplace have a critical stake in the degree to which a national service program achieves this objective. If the program fails in this regard, it will replace regular jobs with stipended workers without employee status, interfere with and erode collective bargaining agreements, and create a downward drag on wages and benefits in local labor markets.

Union consultation and concurrence are the means by which nondisplacement provisions are given teeth. The point of the language is to protect full-time employees from being inadvertently undercut by national service participants.

The union concurrence provision in particular will provide for real and meaningful involvement of local employee organizations in program planning to ensure that displacement does not occur.

Second, the union concurrence requirement does not create a conflict of interest.

Representative BALLENGER maintains that the union consultation/concurrence provisions of H.R. 2010 create a conflict of interest since local unions can apply to sponsor local service projects. This contention is not based in fact:

One, the union consultation provision is advisory only and has not caused any conflict-of-interest situations under existing programs.

Two, the union concurrence provision is employer-specific and would not apply to nonunion applicants. A union applicant could not concur on its own application. Instead, only a local union representing employees working for a union applicant could concur of the application.

Three, when required, local union concurrence is only one part of the application process. Even with local union concurrence, an application will be evaluated on the same grounds as other applications and can be rejected.

Third, union consultation/concurrence provisions will strengthen local community involvement in developing local service activities.

An important goal of the national service program is for local communities to develop and carry out their own local service activities.

The union consultation/concurrence provisions create a process for local unions representing employees in the workplace and service sponsors to work together to develop an inventory of unmet needs and activities which do not duplicate work already being performed by employees of the service sponsor.

Activities which meet this standard cannot be dictated from Washington. They will vary from locality to locality. For example, one community may have an extensive child care system, while another may have very little publicly financed child care. One community may have extensive afterschool activities, while another may not.

Fourth, the amendment goes against 20 years of established Federal policy.

There is a long history of union comment/consultation provisions in Federal employment and training programs. Union comment provisions go back at least to the Comprehensive Employment and Training Act [CETA] of the 1970's and are part of the Job Training Partnership Act. The National and Community Service Act itself currently includes a union consultation requirement.

Fifth, there is precedence for union concurrence under Federal and State Programs.

Many current youth corps programs work with local unions and will not start projects without local union agreement. In addition, other Federal and State programs provide for union concurrence. These include the Community Works Progress Demonstrations in H.R. 11, an omnibus tax bill passed by Congress but vetoed by President Bush last fall, the Washington State welfare program, and the Youth Incentive Entitlement Program under CETA.

Mr. BOEHNER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise today in support of the amendment offered by my friend, the gentleman from North Carolina [Mr. BALLENGER].

As the chairman was just trying to explain, what the language in this bill does is, it gives organized labor unions a veto over projects, over a grantee, that may occur in their area. If you do not belong to a group and you are an employee, you have not this right under this bill, but only if you belong to an organized labor union do you have this veto power.

This House has already passed one union empowerment tool this session, the striker replacement bill. I do not believe we need to pass another. That is exactly what we will do if we do not accept this amendment.

There is language within the National Service Trust Act to give unions veto power over national service projects while permitting them to take part themselves in these same projects. These provisions give them an unfair advantage over organizations bidding to take part in the national service program. It is an advantage they should not have.

Although I am opposed to this bill, I believe that we must ensure that it will not be used for favoritism. Yet, this provision, and many others, are examples of how this measure is ripe to be used for political patronage, union empowerment, and as a boost to special interest groups throughout the Nation.

This amendment will eliminate this blatant conflict of interest by prohibiting labor unions from being involved in the approval process of a grant if they have already applied for a grant. It makes sense and should be accepted.

Mr. Chairman, I urge my colleagues to vote yes on the Ballenger amendment.

Mr. ENGEL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise today in support of H.R. 2010, the National Service Trust Act, and in opposition to the Ballenger amendment.

In his inaugural address, President Clinton called for a new generation of Americans to enter into a season of service for the betterment of their country. The National Service Trust Act will allow them to answer this challenge. In return for their participation in approved national service programs, thousands of Americans would

receive financial assistance to pay for their education.

The National Service Trust Act will permit us to meet critical needs in communities across the country—in areas such as education, human services, the environment, and public safety. In its first year alone, it will involve 25,000 participants, allowing each to earn up to \$10,000 in educational awards over two terms of service. Moreover, this legislation will create no new Federal bureaucracy, relying instead on existing Federal, State, and local agencies, as well as colleges, for disbursement of funds. It will not take the place of need-based financial programs such as Pell grants, instead serving to complement and reinforce such successful approaches. Above all, H.R. 2010 will instill a new spirit of voluntarism in America. It offers those who could not otherwise afford to do so, the opportunity to serve while expanding their educational horizons.

The gentleman from North Carolina [Mr. BALLENGER] would have you falsely believe that the union consultation provision of H.R. 2010 creates a conflict of interest.

Personally, I am tired of all the union-bashing I hear in some quarters of this Chamber.

His amendment strips the bill's current provisions designed to promote local union participation in national service programs and protect against job displacement. This would undermine a primary intent of the legislation: Engaging young Americans in service to their communities without displacing existing workers.

In addition, this amendment fails to acknowledge the long and productive history of union consultation in Federal employment and training programs. The Ballenger amendment, in my opinion, would destroy this valuable labor-community service relationship, and deny thousands the opportunity to work for the betterment of the American community.

As a father and former teacher, I cannot stress enough the importance of passing this legislation intact, without any of these amendments. National service is nothing less than an investment in America's future.

People who are in support of these amendments have said on the floor that they will not vote for the bill anyway, so let us not ruin the bill. Let us not throw smokescreens in front of the bill. The bill, as it is, provides legislation to meet pressing social needs, provide aid for education, and teach valuable skills to its participants while increasing a sense of civic responsibility and community spirit.

The gentleman's amendment would serve only to undermine these goals. I urge my colleagues to vote in favor of H.R. 2010 and against the Ballenger amendment.

Mr. FAWELL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, basically I rise in support of the Ballenger amendment to H.R. 2010, the National Service Trust Act. This amendment merely serves to eliminate the opportunity for a conflict of interest in which a labor union could serve as a program applicant while maintaining an influential role in determining what applicants receive grants. This legislation, in its current state, explicitly states that labor unions are eligible recipients of national service grants and service workers. In addition, the bill requires that all program applicants confer with and, in some cases, obtain the written concurrence of the local labor organization as a requirement for eligibility. The union consultation requirement is a clear conflict of interest which the gentleman from North Carolina rightly suggests should be eliminated.

In addition, I am strongly opposed to the inclusion of this language in the bill because of my fear that it will increase the likelihood that these positions will be make-work type jobs. If labor unions are given this virtual veto power over the substance of national service positions, service workers would not even be able to displace any of the millions of employees making the minimum wage. Consequently, they would have to be used in tasks worth less than \$4.25 an hour. There is a simple reason why many of these needs are currently unmet: they are not worth filling at the compensation levels we are contemplating. We don't require consultation with any other organization, including private charitable organizations with which this program would certainly compete. I see no reason why we should give this preferential treatment to labor unions.

However, I want to make it clear to my colleagues concerned about job displacement that this language is not necessary to ensure nondisplacement. The National Community Service Act of 1990, which this bill would amend, already includes strong nondisplacement and nonduplication provisions. Let me read for my colleagues a passage from this act,

An employer shall not displace an employee or position, including partial displacement such as the reduction in hours, wages, or employment benefits, as a result of the use of such employer of a participant in a program receiving assistance under this title.

While I would frankly prefer that this language be eliminated as well, I submit that its existence makes the additional requirement of union concurrence unnecessary. The Ballenger amendment does not prevent unions from applying for programs, nor does it allow service positions to displace any existing Federal workers. It simply eliminates an unfair advantage which

unions have over other program applicants. I hope that my colleagues will join me in this effort to restore a level playing field to the program and support the Ballenger amendment. I yield to the gentleman from North Carolina, [Mr. BALLENGER].

□ 1510

Mr. Chairman, I yield to the gentleman from North Carolina [Mr. BALLENGER].

Mr. BALLENGER. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, the bill itself contains all grievance procedures that we would ever need to rectify displacement. There are remedies for displacement and duplication.

Let me just read the law that exists at the present time. This is from the nonduplication and nondisplacement part of Public Law 101-610, of 1990. It says that:

Assistance made available under this title shall not be provided to a private nonprofit entity to conduct activities that are the same or substantially equivalent to activities provided by a State or local government agency that such entity resides in.

Then, skipping down to another part:

A participant in any program receiving assistance under this title shall not perform any service or duties or engage in any activities that will supplant the hiring of employed workers.

In other words, protections already exist for unions. The problem is that this bill gives them the authority to screen other applicants. That is where the conflict of interest is. The protection for unions will remain intact if my amendment is adopted.

The idea that unions will be given an unfair advantage in that they can blackball other applicants in competition with them just does not seem right to me, and that is the reason for the amendment.

Mr. SANDERS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, a college education now ranks as one of the most costly investments for American families, second only to buying a home. During the 1980's the cost of attending college soared by 126 percent. It is my strong belief that all Americans, regardless of their income or wealth, should have equal access to educational opportunities. It is simply not acceptable that millions of young people are denied access to higher education because of the limited income of their families.

Today's debate is about priorities. I suspect that some of my colleagues who voted for the superconducting super collider and the space station will raise the specter of the deficit as their reasoning for opposing this legislation. It is beyond me as to how they can justify these priorities to the working families across America.

Today we are discussing a bill, the National Service Trust Act, that will

help remove some of the economic barriers to attending college by allowing students to pay off their student loans by working in their community on important educational, environmental, and poverty programs. By paying students for their work and enabling students to pay off their loans, this bill recognizes the current situation for most college students—namely, most of them are currently working. In fact, nearly half of all full-time students in the 16-24 age group and 62 percent of students in all age categories work—often as much as 35 hours a week.

The truth is our college students and their families are paying the price of a unconscionably declining Federal commitment to higher education. Today we have a small chance to improve that. But, in addition to approving this very important program, we must guarantee our full commitment to existing education programs. Since its earliest involvement in higher education policy, the Federal Government's ultimate goal has been to guarantee an equal opportunity for Americans to attend and graduate from college. If we continue to pare back our commitment to Pell grants as we have this year, our students will have little opportunity to attend school without facing enormous debt. We must offer college students both national service and a solid commitment to Pell grants, work study, supplemental educational opportunity grants, Perkins loan programs and the State student incentive grants.

In addition, we must continue to recognize our changing student population and the obstacles currently preventing them from completing college. National service recognizes and addresses many of those obstacles. Today about 43 percent of our students are over the age of 25—40 percent are enrolled on a part-time basis—and more women than men attend college, as has been the case since 1979. By making awards to full and part-time students, by addressing the need for health care and child care this legislation removes additional barriers that would have prevented much of our diverse student population from participating in national service.

National service is an important piece of a Federal package that should permit all Americans equal access to education. By enabling students to help some of the 5 million children living in poverty—by encouraging students to help preserve our precious environment—by supporting those students that can help rebuild our deteriorating housing programs—we are advancing the needs of communities across America and entitling students to the education they deserve.

Let us get our priorities straight. National service and other Federal programs providing financial aid to students are funding priorities that this

Congress can no longer afford to ignore.

Mr. ARMEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I support my good friend Mr. BALLENGER's amendment. Only in Washington indeed, only in this committee, would anyone believe that labor unions ought to be entrusted with writing the job description for a Government service job, be allowed to decide who gets that job, and be able to apply for that job themselves.

Labor unions exist primarily to drive up wages, and one of the principal ways they do that is by restricting the number of available jobs.

If we let a union decide which jobs are performed under national service, you can bet your mother's pension check the unions will make sure the jobs are so meaningless and make-work that no union member is ever displaced by them.

But if we are foolish enough to let that same union apply to run its own National Service Program, you can safely bet everything you own and as much as you can borrow that that union will give the jobs to its own members or allies, or both.

This bill gives labor unions an overwhelming advantage over nonunion applicants. To think they will not use this power to their own advantage borders on delusion.

Mr. Chairman, no good purpose is served by giving all this power to the labor unions. Unless, of course, the primary purpose is to give more power to the labor unions.

Let us eliminate this blatant conflict of interest.

I urge my colleagues to support the Ballenger amendment.

Mrs. UNSOELD. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, of all the statements on the National Service Trust Act, one of the best came last month—when Interior Secretary Bruce Babbitt testified before the Education and Labor Committee and underscored the true meaning of this legislation. "National Service will strengthen * * * the spirit of citizenship," he said, " * * * An old-fashioned idea of citizenship—of working together, of taking responsibility, of building community."

But if Mr. BALLENGER's amendment is passed and worker involvement requirements are stripped, service programs that are supposed to pull communities together may just as easily rip them apart.

The National Service Trust Act requires national service to address unmet community needs without displacing existing workers. If we neglect to consult local workers, service positions could unintentionally replace regular paying jobs. Lower skilled workers—disproportionately female

and minority—would be the hardest hit.

Let us not gut this vital legislation. Don't cut local workers out of the process. Join me in opposing the Ballenger amendment. Join me in support of the National Service Trust Act.

□ 1520

Mr. WALKER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Speaker, I rise in support of the amendment. My good friend, the gentleman from North Carolina, has brought forth an interesting amendment, and I think a valuable one, because it speaks to some of the inherent conflicts of interest that are in this bill.

In a bill that creates 25,000 new Federal jobs, we now have an interesting development in that labor organizations are singled out for particular special treatment under the bill. If you look at the bill, it is interesting that, among the people who can apply for money, are listed public and private institutions, Indian tribes, States, and so on, and then parenthetically it separates out labor organizations.

Now, why do you suppose that was done? Well, I am not really certain why they were included parenthetically for special treatment other than the fact that they know that we are hiring 25,000 new people for the Government, and they want to have their mitts into that hiring of 25,000 people, and then when you figure out what it is they are about doing, it is very interesting.

It turns out that not only can they apply for the grants but then they have the ability to decide who gets the money. If you have a labor union that applies for the grant and the Boy Scouts have also applied for a grant, what the labor union can do is make a judgment that they deserve it rather than the Boy Scouts.

This really strikes me as being a real problem with the bill. I heard the gentleman from Michigan shout "no." That is certainly the way in which it appears to me that if there is another group seeking the grant, the union can also be applying for that grant. Is that not true?

Mr. FORD of Michigan. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from Michigan.

Mr. FORD of Michigan. No. The gentleman acts as if we come from two different countries. The kind of grants the union would be applying for might be conservation grants, other things. They are not going to apply for grants to have national service do their jobs, and the only union signoff is to agree with the local employer that the duties, for example, if it is a public hospital and the nurses have a union, if you are going to put some health aides in that hospital, they would sit down

with the union and determine which duties were permissible for them to perform and which ones would be reserved to their regular employees. It would not knock the grant out. It would simply limit the activities of the people in the grant so they did not displace already hired workers.

Mr. WALKER. I have a hard time understanding that when you look at the language of the bill that separates out the union organizations parenthetically, and yet includes all of this in exactly the same language. You say that the people that the money can go to includes the States, it included Indian tribes, it included private and nonpublic organizations, and then there is parenthetically in there this item that says "includes labor organizations."

Now, it sounds to me as though the Boy Scouts are included in the public and private organizations. Certainly I would think they would be included.

Mr. FORD of Michigan. If the gentleman will yield further, does the gentleman know of any Boy Scout troop that is organized by a union? What kind of union employees do the Boy Scouts have?

Mr. WALKER. Well, it seems to me that the union—

Mr. FORD of Michigan. And why would the Boy Scouts be consulting with the union when they do not have a union?

Mr. WALKER. Well, they are not consulting with the union. What they are doing is applying for a grant, and they might be applying for grants in the same place that the union is applying for grants.

Mr. FORD of Michigan. The unions do not have anything to do with the Boy Scouts' grants. They only have to do with grants applied for where their members are affected.

Mr. WALKER. Why are the parentheses in there? The parentheses are there to give the unions the specific chance to apply for the grants.

Mr. FORD of Michigan. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from Michigan.

Mr. FORD of Michigan. Mr. Chairman, the gentleman places me at a decided disadvantage. He frequently uses this tactic in debate, of getting into the well and saying, "I do not understand this. Explain what I do not understand." If the gentleman would ask me to explain what he does understand, I think it would be a lot easier than trying to explain what he does not understand.

Mr. WALKER. I thank the gentleman for clarifying, because what the gentleman is saying is, "I might have confused the issue here, and the gentleman has no answers." The fact is, that in his bill, he has specifically singled out labor organizations as groups that are eligible for the grants, and what I am suggesting is, they are then in com-

petition with groups like the Boy Scouts. Then they are singled out for additional special treatment in the bill that they get a chance to decide who gets the grants and who does not.

All I am suggesting is, that if they get a chance to decide who gets the grants and who does not, and they are among the applicants, guess who is going to get the grants.

The gentleman seems to not want anybody to discuss those issues, and certainly, he does not want the amendment offered by the gentleman from North Carolina to be approved that might get at these major conflicts of interest that are down in the bill that are going to disadvantage a lot of other good nonprofit organizations who simply would like to be able to have a chance to get the grants on a fair competitive basis.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. WALKER] has expired.

(At the request of Mr. FORD of Michigan and by unanimous consent, Mr. WALKER was allowed to proceed for 2 additional minutes.)

Mr. WALKER. Mr. Chairman, sure, I do not need it, but I will be happy to yield to the gentleman.

Mr. FORD of Michigan. On page 31 of the bill, the language with the magic parentheses appears: "Federal agencies and other applicants, the corporation shall distribute on a competitive basis to subdivisions of States, Indian tribes, public and private nonprofit organizations including labor organizations," which is in parentheses, in case people like the gentleman do not understand that labor unions are public nonprofit organizations. That is all it is. It is simply to provide emphasis that they are a form of public nonprofit organization that may apply.

Mr. WALKER. In providing emphasis, you provide advantage. The gentleman well knows that if a specific organization is spelled out in the bill, that that then gives them a special status under the bill. The gentleman has been writing legislation around here long enough to know that when you parenthetically set aside a particular group of organizations, that you do so in a way that tells everybody who interprets that legislation, that this is a special organization for special treatment.

There is no need for the language in the bill. Under public law right now, we have nondisplacement legislation which would do everything the gentleman is wanting to do, but the gentleman in fact has set aside an organization for special treatment. That is my concern.

I yield to the gentleman from Michigan.

Mr. FORD of Michigan. I will accept the responsibility for drafting a bill in a way that may not be understandable to the gentleman.

As a lawyer, a former judge, a former State legislator, and a Congressman now for 29 years, I have no trouble understanding the statutory language, and if the gentleman wants it written in a better way, what he ought to do is cooperate with us instead of opposing everything we do, and we will be glad to write it your way.

Mr. WALKER. I do not have any doubt that the gentleman understands exactly what he has done here.

Mr. FORD of Michigan. If I take the parentheses out, will you vote for the bill?

Mr. WALKER. I have every confidence that the gentleman knows exactly what he put in the bill, and that he has given a special advantage to labor organizations, and he has done so.

Mr. MARTINEZ. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, let me try to assure the gentleman that in the bill, there is language that prohibits the unions, labor unions, if they participate in the program, from doing exactly what he suggests they might do.

In section 132,

Ineligible service categories, an application submitted to the corporation under section 130 shall include an assurance by the applicant that any national service program carried out using assistance provided under section 121 and any approved national service position provided to an applicant will not be used to perform services that provide a direct benefit to any business organized for profit, labor union.

I suggest to the gentleman that our friends on the other side of the aisle, some of them at least, would have us believe that this bill was written primarily for the benefit of the unions. I suggest to you that that is far from the truth.

The fact is that all we were trying to do in the bill is to make sure that people were not displaced, or that moneys that were already in use for local needs was not supplanted, or that this money only supplanted that money, that that money was not replaced, and in doing that, we used what has been accepted, as the chairman has already explained, boilerplate language that has been in existence for over 20 years.

For that reason, I oppose the Ballenger amendment, as it does more harm than it does good.

I really believe, written the way that Mr. BALLENGER has written his amendment, that there would be unscrupulous people who would be able to take advantage of the bill and then supplant moneys that are already in use, and people who are already providing those services.

For that reason I oppose the amendment.

Ms. SCHENK. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, as an original cosponsor of the National Service Trust Act,

I rise today to urge my colleagues to vote against the Ballenger amendment.

This amendment would eliminate key provisions of the bill designed to promote local union participation in service programs and prevent displacement of the regular workforce.

This amendment should be opposed for several reasons. First, there is a long history of union comment provisions in Federal employment and training programs. Such provisions go back at least to the Comprehensive Employment and Training Act and are part of the Job Partnership Act. This amendment would be going against 20 years of established Federal policy.

Second, labor union consultation is a critical safeguard against substitution and displacement of the regular work force. As stated in H.R. 2010, a primary purpose of this legislation is to meet the unmet, human, educational, environmental, and public safety needs of the United States, without displacing the existing workers.

Local unions, which represent employees in the workplace, have a critical stake in how well the National Service Program meets these needs. Union participation can only strengthen the program's ability to achieve the goals stated in the legislation. If the program fails to provide protection for existing workers, it will erode collective bargaining agreements and create a downward drag on wages and benefits in local labor markets.

The sponsors of this amendment may assert that the union consultation provision creates a conflict of interest. This is simply not true. The union consultation provision is advisory only and has not caused any conflict-of-interest situations under other programs where it is used. Moreover, the union concurrence provision is employer-specific and would not apply to nonunion applicants.

This amendment can only serve to weaken the National Service Trust Act and I urge my colleagues to vote against it.

□ 1530

Mr. GENE GREEN of Texas. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, this amendment is a fight we do not need to have. This amendment tries to separate us. National service is not designed to replace any current employees. All we need to do is to recognize what this amendment does; it is just to drive a wedge in our efforts to provide national service, one of the most popular pieces of legislation that has come before this Congress in many years.

We need to pass a good bill, a bill that is needed for our country and for our young people. National service is a three-way win for our country: It provides job experience for those youngsters; it provides needed service to our

neighborhoods; and it helps repay those student loans. We know a number of students who graduated, whether they be from proprietary schools, or vocational schools, or from 4-year schools, or 2-year schools, that they are under a debt. They would like to have some of that debt forgiven by giving community service. This bill allows that.

This amendment separates us. If we continue this separation by adopting the Ballenger amendment, it will harm the national service effort. The Ballenger amendment, if adopted, will possibly cut people who have jobs. That is not our intent.

We do not need to have more unemployment. The support for this bill includes many corporations, and I would not expect some of the corporations that have been listed as supporters would support a bill that actually gives veto power to organized labor.

In fact, there is a letter that is provided. In fact, it was Chairman FORD, and although it is addressed to Senator FORD, I would like to paraphrase it. The American Red Cross supports H.R. 2010, the National Service Trust Act: "We welcome your continued efforts to enhance opportunities for all Americans to serve their communities."

We particularly appreciate the proposed act's strong emphasis on renewing the ethic of civic responsibility, engaging in locally based and diverse organizations in a system of service delivery that is both decentralized and nationwide; facilitating the replication of existing successful service programs and providing service opportunities for stipended and nonstipended participants, and for persons of all ages." I will not read the whole letter, but it is signed by Elizabeth Dole from the American Red Cross. I hardly expect we would see the support for this bill if the Ballenger amendment were really needed.

Mr. SOLOMON. Mr. Chairman, I move to strike the requisite number of words, and I yield to the gentleman from North Carolina [Mr. BALLENGER].

Mr. BALLENGER. I thank the gentleman for yielding.

Mr. Chairman, I am not going to take a great deal of time. I just want to say one more time that this amendment does not undo anything and does not divide anything. All the protections are already in the law.

There is a grievance procedure in this bill. Strong, nondisplacement and non-duplication provisions already exist in Public Law 101-610. The law says that funding for National Service Trust Act "shall be used only for a program that does not duplicate and is in addition to an activity otherwise available in the locality of such program." The bill itself requires every State or local applicant to establish a grievance procedure precisely to hear complaints about job displacement, and remedies for displacements are included.

All I can say is that the basic idea that unions should be able to grade what other grant applicants are doing is not necessary. All the protections for nonduplication are in the law already, and this bill would not change that.

Mr. SOLOMON. Mr. Chairman. I thank the gentleman for his remarks.

Mrs. MORELLA. Mr. Chairman, I rise in opposition to the Ballenger amendment, which would eliminate language from the National Service Trust Act that offers protection and assurance to the regular work force that they would not be replaced by youthful outsiders.

As stated in the bill itself, National Service is intended "to meet the unmet—needs of the United States, without displacing existing workers." The provision requiring the concurrence and consultation with labor unions in national service programs is essential in ensuring that stipended workers without employee status do not take jobs away from full-time, union workers. This is especially important for lesser skilled workers, most of whom are minorities and women. Without antidisplacement protection, workers with lower skills would be most in jeopardy of losing their jobs.

The provision does not give unions undue influence over the outcome of grants. Instead, it provides for the necessary safeguard against the displacement of union workers from jobs similar to those set up as national service positions. The bill merely requires grant applicants to consult with, and to receive the concurrence, of labor unions, who may apply for the same jobs.

In addition, the union consultation and concurrence provisions would strengthen local community involvement in developing local service activities. Local unions representing employees in the workplace and service sponsors would work together to develop an inventory of unmet needs and activities which do not duplicate work already being performed by employees of the service sponsor.

For these reasons, I urge my colleagues to oppose the Ballenger amendment and to retain the language of the bill to protect the regular work force.

Mr. THOMPSON. Mr. Chairman, I am opposed to the Ballenger amendment because it deletes provisions in H.R. 2010 that provide for local union participation in local National Service Programs. For over 20 years, Federal employment and training programs such as the Comprehensive Employment and Training Act [CETA] and the Job Training Partnership Act [JTPA] have included provisions for union consultation so that existing workers are not replaced.

Union consultation does not create a conflict of interest with respect to the national service program. It is advisory and applies only when a service sponsor, who has union employees, proposes community service work that is the same or similar to the work done by the sponsor's union employees.

I strongly urge my colleagues to vote against the Ballenger amendment. I strongly urge my colleagues to vote against any amendments that weaken the National Service Trust Act.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina [Mr. BALLENGER].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. BALLENGER. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 153, noes 276, not voting 10, as follows:

[Roll No. 350]

AYES—153

Allard	Gillmor	Moorhead
Archer	Gingrich	Myers
Army	Goodlatte	Nussle
Bachus (AL)	Goodling	Oxley
Baker (CA)	Goss	Parker
Baker (LA)	Grams	Paxon
Ballenger	Grandy	Payne (VA)
Barrett (NE)	Greenwood	Pombo
Barton	Hall (TX)	Porter
Bateman	Hancock	Portman
Bentley	Hansen	Pryce (OH)
Bereuter	Hastert	Quillen
Billirakis	Hefley	Ramstad
Bliley	Herger	Ravenel
Boehner	Hobson	Regula
Bonilla	Hoekstra	Ridge
Bunning	Hoke	Roberts
Burton	Huffington	Rogers
Buyer	Hunter	Rohrabacher
Callahan	Hutchinson	Roth
Calvert	Hutto	Rowland
Camp	Hyde	Royce
Canady	Inglis	Saxton
Castle	Inhofe	Schaefer
Clinger	Istook	Schiff
Coble	Johnson, Sam	Sensenbrenner
Collins (GA)	Kasich	Shaw
Combest	Kim	Shuster
Cox	Kingston	Skeen
Crane	Klug	Smith (MI)
Crapo	Knollenberg	Smith (OR)
Cunningham	Kolbe	Smith (TX)
DeLay	Kyl	Solomon
Dickey	Lancaster	Spence
Doolittle	Lewis (CA)	Stearns
Dornan	Lewis (FL)	Stenholm
Dreier	Lightfoot	Stump
Duncan	Linder	Sundquist
Dunn	Livingston	Talent
Emerson	Manzullo	Tauzin
Everett	McCandless	Taylor (MS)
Ewing	McColum	Taylor (NC)
Fawell	McCrery	Thomas (CA)
Fields (TX)	McInnis	Thomas (WY)
Fowler	McKeon	Upton
Franks (CT)	McMillan	Vucanovich
Gallely	Meyers	Walker
Gallo	Mica	Wolf
Gekas	Michel	Young (FL)
Geren	Miller (FL)	Zeliff
Gilchrest	Molinari	Zimmer

NOES—276

Abercrombie	Browder	de la Garza
Ackerman	Brown (CA)	de Lugo (VI)
Andrews (ME)	Brown (FL)	Deal
Andrews (NJ)	Brown (OH)	DeFazio
Andrews (TX)	Bryant	DeLauro
Applegate	Byrne	Dellums
Bacchus (FL)	Cantwell	Derrick
Baessler	Cardin	Deutsch
Barca	Carr	Diaz-Balart
Barcia	Chapman	Dicks
Barlow	Clay	Dingell
Barrett (WI)	Clayton	Dixon
Becerra	Clement	Dooley
Beilenson	Clyburn	Durbin
Berman	Coleman	Edwards (CA)
Bevill	Collins (IL)	Edwards (TX)
Bilbray	Collins (MI)	Engel
Bishop	Condit	English (AZ)
Blackwell	Conyers	English (OK)
Blute	Cooper	Eshoo
Boehlert	Coppersmith	Evans
Bonior	Costello	Faleomavaega
Borski	Coyne	(AS)
Boucher	Cramer	Farr
Brewster	Danner	Fazio
Brooks	Darden	Fields (LA)

Filner	Lloyd	Ros-Lehtinen
Fingerhut	Long	Rose
Fish	Lowey	Rostenkowski
Flake	Machtley	Roukema
Foglietta	Maloney	Roybal-Allard
Ford (MI)	Mann	Rush
Ford (TN)	Manton	Sabo
Frank (MA)	Margolies-	Sanders
Franks (NJ)	Mezvinsky	Sangmeister
Furse	Markley	Santorum
Gedensson	Martinez	Sarpalius
Gephardt	Matsui	Sawyer
Gibbons	Mazzoli	Schenk
Gilman	McCloskey	Schroeder
Glickman	McDade	Schumer
Gonzalez	McDermott	Scott
Gordon	McHale	Serrano
Green	McHugh	Sharp
Gunderson	McKinney	Shays
Gutierrez	McNulty	Shepherd
Hall (OH)	Meehan	Sisisky
Hamburg	Meek	Skaggs
Hamilton	Menendez	Slattery
Harman	Mfume	Slaughter
Hastings	Miller (CA)	Smith (IA)
Hayes	Mineta	Smith (NJ)
Hefner	Minge	Snowe
Hilliard	Mink	Spratt
Hinches	Mollohan	Stark
Hoagland	Montgomery	Stokes
Hochbrueckner	Moran	Strickland
Holten	Morella	Studds
Horn	Murphy	Stupak
Houghton	Murtha	Sweet
Hoyer	Nadler	Swift
Hughes	Natcher	Synar
Inslee	Neal (MA)	Tanner
Jacobs	Neal (NC)	Tejeda
Jefferson	Norton (DC)	Thompson
Johnson (CT)	Oberstar	Thornton
Johnson (GA)	Obey	Thurman
Johnson (SD)	Oliver	Torkildsen
Johnson, E.B.	Ortiz	Torres
Johnston	Orton	Torricelli
Kanjorski	Owens	Towns
Kaptur	Pallone	Trafigant
Kennedy	Pastor	Tucker
Kennelly	Payne (NJ)	Unsoeld
Kildee	Pelosi	Velazquez
King	Penny	Vento
Kleczka	Peterson (FL)	Visclosky
Klein	Peterson (MN)	Volkmer
Klink	Petri	Walsh
Kopetski	Pickett	Waters
Kreidler	Pickle	Watt
LaFalce	Pomeroy	Waxman
Lambert	Poshard	Weldon
Lantos	Price (NC)	Wheat
LaRocco	Quinn	Whitten
Laughlin	Rahall	Williams
Lazio	Rangel	Wilson
Leach	Reed	Wise
Lehman	Reynolds	Woolsey
Levin	Richardson	Wyden
Levy	Roemer	Wynn
Lewis (GA)	Romero-Barcelo	Yates
Lipinski	(PR)	Young (AK)

NOT VOTING—10

Bartlett	Moakley	Valentine
Frost	Packard	Washington
Henry	Skelton	
McCurdy	Underwood (GU)	

□ 1556

Mr. YOUNG of Alaska changed his vote from "aye" to "no."

So the amendment was rejected.

The result of the the vote was announced as above recorded.

AMENDMENT OFFERED BY MS. MOLINARI

Ms. MOLINARI. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Ms. MOLINARI:
In section 501(a) of the National and Community Service Act of 1990, as added by section 301 of the bill, insert the following after paragraph (3):

"(4) PREREQUISITE FOR FUNDING FOR NATIONAL SERVICE EDUCATIONAL AWARDS.—Notwithstanding paragraph (2), no funds are au-

thorized to be appropriated for any fiscal year to provide national service educational awards under subtitle D of title I unless—

"(A) the amount appropriated for such fiscal year for each of the following programs is at least equal to the amount appropriated for such program for fiscal year 1993:

"(i) the college work-study program under part C of title IV of the Higher Education Act of 1965;

"(ii) the supplemental educational opportunity grant program under subpart 3 of part A of title IV of such Act;

"(iii) the State student incentive grant program under subpart 4 of part A of title IV of such Act; and

"(iv) the Perkins loan program under part E of title IV of such Act; and

"(B) the amount appropriated for such fiscal year for the Pell grant program under subpart 1 of part A of title IV of such Act is sufficient to provide a maximum grant in an amount equal to or in excess of \$2,400.

Ms. MOLINARI (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentlewoman from New York?

There was no objection.

Ms. MOLINARI. Mr. Chairman, I rise today to offer my amendment to the bill before us to ensure that in our effort to provide Federal support for national service, we do not damage programs that currently help students with financial need gain access to higher education.

Mr. Chairman, this concern is very real, and it is so real that the American Council on Education [ACE], the organization that represents 1,700 colleges and universities, has written a letter supporting my amendment.

They support national service, but, like me, they are,

Concerned in this budgetary environment that national service not be funded at the expense of already constrained support for education and research programs carried out by the Nation's colleges and universities.

The realization that several post-secondary education assistance programs were cut in President Clinton's fiscal year 1994 budget proposal and in the House-passed Labor, Health and Human Services, and Education appropriations bill has been and still is a troubling trend.

My amendment would create a three-part funding trigger before funds could be made available for the National Service Trust Program. Before this new program is funded:

First, the three campus-based programs—work study, supplemental educational opportunity grants, Perkins loans—would have to be funded, not fully funded, but at their fiscal year 1993 levels;

□ 1600

Second, the State Student Incentive Grant Program would have to be funded at its fiscal year 1993 level; and, third, the Pell Grant Program, a program so many of our constituents desperately rely on, would have to be

funded at a level sufficient to return the maximum student award to the fiscal year 1992 level.

It is crystal clear that we are in a zero sum gain when it comes to funding for education programs. Many of us on both sides of the aisle are concerned about this robbing-Peter-to-pay-Paul approach. In fact, when I offered this amendment in committee, several Members of the other side joined with me.

Mr. Chairman, fully implemented, the Clinton proposal will support approximately 150,000 students in community service positions, at about a \$4 billion cost, while there are some 5 million students participating in the existing college loan and grant programs. This is less than 3 percent of those students eligible for student aid who would be answered by the National Service Program.

The cost per student under the Clinton proposal is conservatively estimated at \$15,560 a year. This compares with the \$2,400 per year a student can currently receive through the Pell Grant Program. This new program will assist less than one-half of 1 percent of the student population.

Mr. Chairman, in conclusion my amendment is very straightforward. If you believe that the funds for national service should not come out of existing student assistance programs, then I urge you to support my amendment.

Mr. FORD of Michigan. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I fully respect what the gentlewoman thinks her amendment would do and sympathize with it, because I take a backseat to no one in this body over the years of consistently fighting for budgets and then fighting in the appropriations process to put more money where she wants to put more money. I have not always had a whole lot of votes from the people who say "Cut before you spend," but we have managed to put as much as \$2 billion a year in these programs.

Mr. Chairman, I would call your attention to the fact that we are mixing apples and oranges here as the first problem. Last year, the Department of Education underestimated the Pell entitlements by almost \$2 billion. Earlier this year, the House of Representatives passed an urgent supplemental that was called the stimulus package. In that stimulus package was \$2 billion to make up that Pell grant shortfall.

It has been the practice around here for many years to come back and make up the Pell grant shortfall so we did not have to tell young people in school that we were going to take money back away from them before the end of the school year.

Now, this year the House did its job. We passed the \$2 billion. I do not remember how the gentlewoman [Ms. MOLINARI] voted for that \$2 billion

package, but I do not know that anybody on that side of the aisle voted for it.

When it got to the other body, however, the Republicans in the Senate filibustered the bill, and one of the things that went down with that filibuster was the \$2 billion for funding Pell grants.

As a result of that, the Committee on Appropriations had to try to make up that shortfall so that we did not go back to the young people who were in school last year, this past spring and say give us back \$50 or \$100 apiece. They had to reach into 1994 funds and pick up over \$400 million of the shortfall, and they are having to do it with the 1994 appropriations. The reason is, there is not enough money for all of the other campus-based programs in 1994. As a matter of fact, we are only \$76 million short at the present time in the legislation that this House has already passed. The \$76 million shortage is because we had to take such a big chunk of 1994 appropriation money to take care of the problem of the Pell grant shortfall for people who are already in school.

Now, when I say that the gentlewoman from New York [Ms. MOLINARI] is doing something that she thinks will have a salutary effect, I have to confess there was a time when I used to try this same sort of thing. It is called imposing a trigger on the appropriating committees.

It does not work. Every time you try to put a trigger in front of the appropriating committee and substitute our judgment on the authorizing legislation for their judgment on how much is to be spent on the respective programs, it gets a bad reaction, and we never win that way.

It has been my experience that when we go to the Committee on Appropriations and make our case for our programs, that they will search wherever they can to find the money to fund the worthy education programs. Under the guidance for many years of the gentleman from Kentucky [Mr. NATCHER], that is precisely what has happened. The gentleman has been placed in a very indelicate position in the current appropriations process by what the Senate did to the supplemental.

Now, if you think that you get more money from the House Appropriations Committee by going over there with a gun in your hand called a trigger, you are wrong. That is not the way to do business with them. It is not the way that my predecessors as chairmen of the committee have ever gotten any increases in funding, and it is not the way they are likely to happen in the future.

Mr. Chairman, let me simply say we are doing the best we can. In this bill we will be folding in the National Commission on Community Services, the Bush program. The appropriation that

is in this year's appropriation bill is \$105 million to that program, which, after we pass this authorizing legislation, will be transferred over to the National Service Program. We are \$76 million short of fully funding all of the programs in the 1994 appropriations.

Mr. Chairman, if the amendment of the gentlewoman from New York [Ms. MOLINARI] were adopted and became part of the law, a point of order would lie against the money going into the program. I ask Members to defeat the gentlewoman's amendment.

Mr. CALLAHAN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, this morning I was faxed a letter which I have delivered to the gentleman from Michigan [Mr. FORD] from the Association of Jesuit Colleges and Universities that asked that we present to this body their views, which ironically is strange, because the Jesuit colleges have been very successful in their educational opportunities for all American people without the help of the Federal Government. But they do see an opportunity here to possibly participate in providing under President Clinton's program some new educational opportunities for the American people.

But with respect to the so-called Molinari amendment, I would like to read the paragraph which is in opposition to the Molinari amendment.

Father Tipton, who is the President of the Jesuit Colleges of America, says,

We are particularly concerned about the so-called Molinari amendment which apparently some educational associations are supporting. We wish to be on record of being unalterably opposed to this amendment, for the following reasons: one its inclusion virtually eliminates the possibility of the National Service Program ever being funded. Whether or not funds for the National Service Program come from existing financial aid programs is immaterial in the language of the bill. Two, there is a presumption that there is no room for reform in the current student financial aid program.

Mr. Chairman, I would like to insert that I think there is definitely a way and a reason to reform part of the program.

Continuing to quote Father Tipton:

Three, it would effectively prohibit the future development of one of the most creative programs for student financial aid funding in the last 25 years.

Mr. Chairman, with that recommendation, I am happy to convey to this body the request of the Jesuit colleges, which, incidentally, includes such great universities as Georgetown University, Loyola University, and Spring Hill College in Mobile, AL, my hometown.

Mr. Chairman, I am happy to be able to present the views of these distinguished educational facilities to this body.

Ms. MOLINARI. Mr. Chairman, will the gentleman yield?

Mr. CALLAHAN. I yield to the gentlewoman from New York.

Ms. MOLINARI. Mr. Chairman, I appreciate the gentleman yielding.

Mr. Chairman, let me just say in response to the Jesuits, we certainly respect their opinion. But in fact their letter acknowledges that they have had no prior stake in the financial programs that I am trying to defend and preserve here.

I also just want to make the point that certainly no one here, not the least of whom myself, challenges the commitment of the chairman to student aid in prior assistance programs. I certainly want to make it clear that the gentleman has been a leader, on behalf of all those generations—maybe not that many generations, Mr. Chairman—who have been recipients of the work of the chairman relative to receiving funding.

□ 1610

And certainly, I would never think to impose my will on the Committee on Appropriations and the chairman of the Committee on Appropriations. I just feel very strongly that we, as a body of Congress, have an ability and, in fact, an obligation to set our priorities and to make those priorities known as an authorizing committee and with the utmost respect to both the chairmen of the authorizing and appropriating committees.

Mr. CALLAHAN. Mr. Chairman, reclaiming my time, I might inform the gentlewoman, too, that I am a member of that distinguished body on the Committee on Appropriations. I respectfully am going to have to oppose the amendment as well.

Mr. MARTINEZ. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, briefly, before I yield to my chairman, I would like to say that I understand the frustration of the gentlewoman from New York [Ms. MOLINARI]. There are times when there are programs that we feel are very vital to our constituencies, that instead of being funded we get reasons why they cannot be funded in favor of other programs that really do nothing for our constituencies. All of us, I guess, have priorities in our own minds as to what those kinds of things we would like to see funded.

I would agree with the gentlewoman that there is definitely a need to increase the Pell grant funding. I would make that argument with her, however, to the Committee on Appropriations.

I think as the gentleman from Michigan [Mr. FORD] has alluded to, that is the place to justify the arguments for that increase, and I certainly would join her in those arguments in attempting to do that.

At this place in time in this bill, this is not the proper place to do it, to set a trigger. I find that most times when

we get a trigger like that, if we want to kill a bill, set a trigger on it and it will certainly kill it.

Mr. FORD of Michigan. Mr. Chairman, will the gentleman yield?

Mr. MARTINEZ. I yield to the gentleman from Michigan.

Mr. FORD of Michigan. Mr. Chairman, I think the gentlewoman from New York has illustrated, and I hope Members will appreciate the sincerity with which I say this, it is extremely difficult to disagree with anybody as pleasant and charming as the gentlewoman from New York. She is persistent. She is tough, and she is smart.

She has all of the attributes and characteristics that one would want for their own daughter, and she is very much like my daughter. As a matter of fact, I served with her daddy here, and we came to be good friends, although we were in opposite parties and, frequently we were on the same side in legislative battles.

I do not for a second suggest that there is anything wrong with this amendment, because she has not done her homework. I simply suggest that she and I are jointly, kind of, in this particular set of circumstances, victims of the way this place works and for that reason, while I laud what she would like to accomplish, I do not think it will have that result.

It will get us into trouble and may, as a matter of fact, cause friction between my authorizing committee and the Committee on Appropriations that I try very, very hard to avoid.

Now, the first time that I feel that our authorizing committee is not treated fairly by the Committee on Appropriations, I will be on this floor screaming like a stuck pig. They did not always treat us that well, by the way, not when I first came here. But I have absolutely no complaint about the treatment we have had in recent years.

I fully intend to continue working with them and ask the gentlewoman to consider that my opposition to her amendment is in spite of my strong affection and respect for her.

Mrs. ROUKEMA. Mr. Chairman, I move to strike the requisite number of words, and I rise in strong support of the Molinari amendment.

The gentlewoman has done us all a service here in shining a spotlight on the fundamental problem with this bill. I know it is going to come as a surprise to many of my colleagues that I, who have long been a strong supporter of all the educational programs, oppose this bill. And I oppose it reluctantly. After all, I do not like to oppose a motherhood issue, because community service is as American as apple pie.

But I have to oppose this bill, despite the fact that as an educator, if it were up to me, if I had the power, I would probably make community service a requirement for graduation. In fact, I

have done that in my past lives. But that is not what we are here debating today.

What we are debating is the question of the creation of a gigantic new program, a program that, by the way, will create a significant bureaucracy, a program that we are creating at a time when we are facing \$400 billion budget deficits, as far as the eye can see at the same time as the Budget Reconciliation Committee is clawing its way around trying to come up with those \$500 billion savings that the President has ordered.

In fact, if we had the money, which we do not have, I would have taken the work-study program as the nucleus of a program to expand and transform into a community service program. But we have not done that here.

We are creating a new bureaucracy. We are planting the seeds, in my mind, of a new Government program that, with care, will sprout and grow and flourish. And maybe that is good, but it will be creating a new entitlement program, capped, as it may be, but with its own constituency and momentum.

Getting back to what the Molinari amendment will do and why it is so intelligent. It will actually be focusing on the fact that we are doing this at the same time as we are starving, cash starving other programs as we go along.

If Congress is determined to spend \$7.4 billion of new money, which is what this bill authorizes, we should not be paying for it with money that we do not have. We should not be robbing Peter to pay Paul and literally pilfering other worthy and proven programs in this bill.

For example, if we would apply the \$400 million, and I think this gets right to the point of the Molinari amendment, if we would apply the \$400 million authorized under this legislation for this year alone and shift it to the College Work-Study Program, we would increase college work-study authorization by one-third and serve tens of thousands of more worthy students this year alone, if we were to do that.

But I do support what my colleague from New York is doing, because she gets right to that point. The gentlewoman from New York has said rightly that we should not proceed to establish this massive new bureaucracy before we guarantee that our existing programs will not be cash starved. If and when national service is fully funded, and may I tell my colleagues that there are some cynics in this group that love to vote for this but will not vote for the money to fund it, but if and when it is fully funded, it will serve only 150,000 students. The gentlewoman from New York [Ms. MOLINARI] has already stated that.

My colleagues, this is less than 3 percent of the student bodies who are eligible for Federal college assistance.

What about the other 97 percent of the students?

We know what has been happening to them over the years, whether it is Pell grants or work-study. They have been starved for cash. They are going without.

The Molinari amendment logically says that before we establish and enhance a National Service bureaucracy, we guarantee that the college work-study program, Pell grants, Perkins loans, et cetera, are adequately funded. This is why the American Council on Education and many other educators have written to us saying that they support this amendment.

This approach will serve thousands upon thousands of college students through existing programs, whose cost-effectiveness has been proven and whose worth has been proven and who have the support of the American people.

Unfortunately, we are not going to do that today. We are going pass this legislation with a price tag of \$7.4 billion and pay for it with money that we do not have, money that we are mortgaging from our future.

I say, pass the Molinari amendment. Help those students now.

□ 1620

Mr. NATCHER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the author of this amendment is one of my favorite Members of the House. I not only served with her father, as my friend, the gentleman from Michigan [Mr. FORD], chairman of the Committee on Education and Labor, pointed out, but it is a distinct honor and privilege for me to serve with the gentlewoman.

If I had my way, Mr. Chairman, she would be on two committees. She would be on the Committee on Appropriations and she would be on the Committee on Education and Labor. Since she has been a Member of this House, she has helped us every year with our bill, and that is the bill, Mr. Chairman, that appropriates the money for the Department of Labor, the Department of Health and Human Services, and the Department of Education. Every year she has helped us, and I want her to know that I appreciate it.

The amount that we have in the 1994 appropriations bill for Pell grants is \$6,719 million. Mr. Chairman, that is the highest amount, the largest amount ever appropriated for Pell grants. It is \$631 million over the 1993 level. If we complied with the amendment that is now before the committee, it would require about \$600 million more. I do not know where the \$600 million would come from. We would have to find the money, Mr. Chairman.

The amount of the Pell grant at the present time, as we know, is \$2,250. If I had my way, it would be \$3,500. The au-

thorization, as the gentlewoman knows, and as my friend, the chairman of the Committee on Education and Labor, stated, the total authorization for Pell grants at this point is \$3,900.

Mr. Chairman, when the budget was submitted for fiscal year 1994, the President's budget was \$6,800 million over the amount approved in the budget resolution in the House and in the Senate. We had to come down to the \$6,800 million to start with. After we then began our process on our committee to allocate our 603(b) allocation grants, we were advised that the budget figure that we had to follow then had to come down an additional \$1,300 million, since this was the figure that they submitted to us that was approved by the Congressional Budget Office.

Mr. Chairman, as I have pointed out, if we had our way on our committee, with the help of the Committee on Education and Labor that helps us every year, we would be up to \$3,500. I do not know where the money would come from. We are up to \$2,250, and I know that is low.

Every year when we bring our bill out, Mr. Chairman, when I hear of amendments that are going to be offered to the bill, the first thing that I do, and I do not ask for a rule on our bill. I have never asked for a rule since I have been a Member of Congress on any bill that I am chairman of. I believe you ought to bring it out here and let them offer their amendments.

However, when they do, I always call on my good friend, the gentleman from Michigan [Mr. FORD], and the gentlewoman that offers this amendment to help me with our bill, and they always do.

I thought, Mr. Chairman, in all fairness to the members of the committee, I should point out these figures and let the members of the committee know just where we are from the standpoint of the funding for fiscal year 1994. If I had my way, instead of \$2,250, it would be \$3,500.

Mr. TAYLOR of North Carolina. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I supported last year a bill that would provide funds for students in a very simple way, that they would be able to borrow money to go to school; that they pay that money back, based on the Government rate at which they borrowed it, after graduation. It would be spread out on a term as long as 25 years, and it would be tied to the IRS system and deducted from their pay. That would be on the basis, a percentage agreed to in the beginning, and if they were not working they obviously would not be paying. It could go out over a period of time.

In this case that we supported 2 years ago, and I would be happy to support today, the person getting the benefit of the education pays it back. That is a real contribution they are making to

this country. The Government is giving them a chance to be educated, and I think that is important. That is why I supported this amendment, because it returns a segment to true voluntarism.

The President has brought forth a program that is steeped in bureaucracy, that is encouraging young people to become bureaucrats themselves. It is not a voluntary program. You are not a volunteer in this. You get \$5,000, first of all, toward the education. Then you get the minimum wage for working in this volunteer capacity. You get health care. You get child care. You get a greater payment than the people in my district get for working on a job now, so let us not talk about it being voluntarism. That is just a tool that is being used to sell another bureaucrat program.

What we are doing, really, is undermining a true need. We are serving fewer people and bringing forth a bureaucracy. The last thing I want my three children to do after they have gotten a college education is to work for the Government. Back in our part of the country we would say they are absolutely ruined after doing that. After doing the so-called public service program, they would get out, and it would take another 4 years to train them to get out of the bad habits they have learned in that job.

What I am saying is that we are not doing these folks a service by this. We are trying to create more bureaucrat jobs. What about the need for broad educational systems?

If I am an adult, if I am a lady working in a particular shop and my job is becoming obsolete, and I need an opportunity to go out for 2 years of additional education, upgrade my position and get a better job, I am not in a position if I have two or three children and I want to be able to move on to a better job, I am not in a position to turn around and give 2 years of public service in the middle of raising a family at the particular age I might be. Therefore, I am left out of this program altogether.

I am saying, Mr. Chairman, we are getting ready to spend a great deal of money to give a perception that is not real and create more bureaucracy. I support the gentlewoman's amendment.

Ms. MOLINARI. Mr. Chairman, will the gentleman yield?

Mr. TAYLOR of North Carolina. I yield to the gentlewoman from New York.

Ms. MOLINARI. Mr. Chairman, let me briefly say I am so glad I offered this amendment, so I could receive all these compliments. Nevertheless, I do want to address what the chairman of the Committee on Appropriations has said. I think it is an argument supporting the concern that I have, that today our programs withstand a shortfall of \$600 million, not because anyone does

not have a commitment to these educational programs, but because we are all working under a limited pot of money.

If we do not want to raise taxes, we are going to be faced with some very difficult choices. I am going to authorize those choices right now, to say if we are going to support a national service bill, let us first only respond to the commitment that we have already made to hundreds of thousands of young men and women who rely on the financial assistance programs that have already and previously been established by the U.S. Congress.

Mr. OWENS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment. We are experiencing a bit of a topsy-turvy world today. The amendments offered earlier with respect to means testing, and now this amendment, are coming from the side of the aisle which has refused consistently to authorize and appropriate more money for higher education. We have always offered the arguments and we have always wanted more money for campus-based student aid, State student incentive grants, Pell grant awards.

We could have had the problem behind us if we had had support from the other side of the aisle on the stimulus package, and their vote, combined with our votes, would have been so large that it would have inspired the Members of the other body to go ahead and vote, \$2 billion in the stimulus package to come to the aid of higher education. It was all there.

We wonder about the motives of the people who suddenly pretend to be concerned very much about increasing the amount of funding available for higher education. Yes, we need more funding. Yes, the American people have indicated education is a very high priority; following health care, education. We have not moved in terms of our budgeting and our appropriations to deal with education in a way which reflects those priorities.

Yes, we need to make some radical changes in our funding priorities, and I would like the gentlewoman from New York [Ms. MOLINARI], my colleague from Staten Island, to use her influence and her reputation to help get on board the effort to get more funds for higher education and more funds for education in general.

I am sure she recognizes that the National Service Act is not a student aid program. It is not for people who are going to college, necessarily. In fact, one of the unique features and best features of the National Service Program is that it is not aimed primarily at college students.

□ 1630

It is aimed at that much neglected group of students who are

transitioning from high school into the world of work and need to find themselves, and make up their minds. And two-thirds at least, if the program is administered correctly, will not be college-bound. So we are pitting the students who are in college or college-bound against those who have been neglected before, and that is who this program would be seeking to help.

Indeed, while doing that, why not look at it in the larger frame, go beyond the parameters of programs for young people and programs for students leaving high school, and move to look at the total picture. Let us cut some programs to make room for education programs. Let us cut the superconducting super collider. We need your vote, we need your influence, we need your reputation as we go to cut the programs that can be cut.

We are going to be offering some amendments to cut the Central Intelligence Agency and intelligence programs which are no longer needed now that we do not have a cold war with the Soviet Union. The Soviet Union is disbanding a large part of its intelligence operation while we are talking about increasing ours. We need your votes and help. We can slow down on the space program. We can look at the opportunity there.

There are numerous places we can get the money in the budget that exists now to fund education programs. We do not need to pit one set of youth programs against another set.

What would have happened in the large cities of America had they decided we are not going to build any airports until all of our roads are repaired? You know, we will not deal with one until we deal with the other.

You do not make those kinds of choices. You do not refuse to fund a national service program until you can take care of the problems of all of the students who need aid. I know those students need more aid, and I am all for that. But I do not think we should stop going forward with a program which brings together people from all income groups and it offers an opportunity for the renewal of this Nation unlike any that we have offered before.

So let us join together and get more funding for higher education. Let the people on this side remember what they are saying today, and remember in respect to this bill when we asked for cooperation and helped seek the funding necessary to fund the Campus-Based Student Act, and to fund Pell grants and other education programs that are very much needed. We need your help, but do not take it out of the hide of the National Service Program. We need the National Service Program also.

Mr. GOODLING. Mr. Chairman, I move to strike the requisite number of words.

It was unfortunate that the last speaker was the first speaker who ques-

tioned the motives of the people who were offering the amendments on this side of the aisle, because the very people he was speaking to and asking for their support are the people, the gentlewoman from New York [Ms. MOLINARI] and myself, who have voted against the super collider, who have voted against the space station, who voted against those kinds of expenditures because we were setting priorities.

So it is just a tragedy that all of a sudden, after all of this debate, those who are trying to help, even though you do not need our help because you have a 2 to 1 majority, we were trying to help and have been trying to help over a period of years, so it is just unfortunate that all of a sudden our motives are questioned.

Mr. OWENS. Mr. Chairman, will the gentleman yield?

Mr. GOODLING. I am happy to yield to the gentleman from New York.

Mr. OWENS. Mr. Chairman, I would like to clarify. I was not questioning motives. I requested that you use your influence. You may have the right position. I requested your influence and your reputation to bring along the other people on your side of the aisle, and the Members in the other body who filibustered the stimulus program, and get them to support your position.

Mr. GOODLING. The gentleman specifically used the word "motive" in his statement.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from New York [Ms. MOLINARI].

The question was taken; and the Chairman announced that the yeas appeared to have it.

RECORDED VOTE

Ms. MOLINARI. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 184, yeas 247, not voting 8, as follows:

[Roll No. 351]

AYES—184

Allard	Cantwell	Fawell
Andrews (ME)	Castle	Fields (TX)
Archer	Clinger	Fish
Armey	Coble	Fowler
Bachus (AL)	Collins (GA)	Franks (CT)
Baker (CA)	Combest	Franks (NJ)
Baker (LA)	Condit	Gallagher
Ballenger	Cooper	Gallo
Barrett (NE)	Cox	Gekas
Bartlett	Crane	Geren
Barton	Crapo	Gilchrest
Bateman	Cunningham	Gillmor
Bentley	de la Garza	Gingrich
Bereuter	DeLay	Goodlatte
Bilirakis	Diaz-Balart	Goodling
Bliley	Dickey	Goss
Blute	Dooley	Grams
Boehlert	Doolittle	Grandy
Boehner	Dorman	Greenwood
Bonilla	Dreier	Hancock
Bunning	Duncan	Hansen
Burton	Dunn	Hastert
Buyer	Edwards (TX)	Hefley
Calvert	Emerson	Herger
Camp	Everett	Hobson
Canady	Ewing	Hoke

Horn	McKeon	Schiff
Huffington	McMillan	Schroeder
Hunter	Meyers	Sensenbrenner
Hutchinson	Mica	Shaw
Hyde	Michel	Shuster
Inglis	Miller (FL)	Skaggs
Inhofe	Mink	Skeen
Istook	Molinar	Smith (NJ)
Johnson (CT)	Moorhead	Smith (OR)
Johnson (SD)	Murphy	Smith (TX)
Johnson, Sam	Myers	Solomon
Kasich	Nussle	Spence
Kim	Obey	Stearns
King	Oxley	Stenholm
Kingston	Paxon	Stump
Klug	Petri	Sundquist
Knollenberg	Pombo	Synar
Kolbe	Porter	Talent
Kyl	Portman	Tauzin
Lazio	Pryce (OH)	Taylor (MS)
Leach	Quillen	Taylor (NC)
Levy	Quinn	Thomas (CA)
Lewis (CA)	Ramstad	Thomas (WY)
Lewis (FL)	Ravenel	Torkildsen
Lightfoot	Regula	Vucanovich
Linder	Ridge	Walker
Livingston	Roberts	Walsh
Lloyd	Rogers	Weldon
Machtley	Rohrabacher	Williams
Manzullo	Ros-Lehtinen	Wolf
McCandless	Roth	Young (AK)
McCollum	Roukema	Young (FL)
McCrery	Royce	Zeliff
McDade	Santorum	Zimmer
McHugh	Saxton	
McInnis	Schaefer	

NOES—247

Abercrombie	Edwards (CA)	Kildee
Ackerman	Engel	Kleczka
Andrews (NJ)	English (AZ)	Klein
Andrews (TX)	English (OK)	Klink
Applegate	Eshoo	Kopetski
Bacchus (FL)	Evans	Kreidler
Baerler	Faleomavaega	LaFalce
Barca	(AS)	Lambert
Barcia	Farr	Lancaster
Barlow	Fazio	Lantos
Barrett (WI)	Fields (LA)	LaRocco
Becerra	Filner	Laughlin
Beilenson	Fingerhut	Lehman
Berman	Flake	Levin
Bevill	Foglietta	Lewis (GA)
Bilbray	Ford (MI)	Lipinski
Bishop	Ford (TN)	Long
Blackwell	Frank (MA)	Lowey
Bonior	Furse	Maloney
Borski	Geddeson	Mann
Boucher	Gephardt	Manton
Brewster	Gibbons	Margolies-
Brooks	Gilman	Mezvisky
Browder	Glickman	Markay
Brown (CA)	Gonzalez	Martinez
Brown (FL)	Gordon	Matsui
Brown (OH)	Green	Mazzoli
Bryant	Gunderson	McCloskey
Byrne	Gutierrez	McDermott
Callahan	Hall (OH)	McHale
Cardin	Hall (TX)	McKinney
Carr	Hamburg	McNulty
Chapman	Hamilton	Meehan
Clay	Harman	Meek
Clement	Hastings	Menendez
Clyburn	Hayes	Mfume
Coleman	Hefner	Miller (CA)
Collins (IL)	Hilliard	Mineta
Collins (MI)	Hinchey	Minge
Conyers	Hoagland	Mollohan
Coppersmith	Hochbrueckner	Montgomery
Costello	Hoekstra	Moran
Coyne	Holden	Morella
Cramer	Houghton	Murtha
Danner	Hoyer	Nadler
Darden	Hughes	Natcher
de Lugo (VI)	Hutto	Neal (MA)
Deal	Inslee	Neal (NC)
DeFazio	Jacobs	Norton (DC)
DeLauro	Jefferson	Oberstar
Dellums	Johnson (GA)	Oliver
Derrick	Johnson, E.B.	Ortiz
Deutsch	Johnston	Orton
Dicks	Kanjorski	Owens
Dingell	Kaptur	Pallone
Dixon	Kennedy	Parker
Durbin	Kennelly	Pastor

Payne (NJ)	Sarpalius	Thornton
Payne (VA)	Sawyer	Thurman
Pelosi	Schenk	Torres
Penny	Schumer	Torricelli
Peterson (FL)	Scott	Towns
Peterson (MN)	Serrano	Trafficant
Pickett	Sharp	Tucker
Pickle	Shays	Unsoeld
Pomeroy	Shepherd	Upton
Poshard	Sisisky	Velazquez
Price (NC)	Skelton	Vento
Rahall	Slattery	Visclosky
Rangel	Slaughter	Volkmer
Reed	Smith (IA)	Washington
Reynolds	Smith (MI)	Waters
Richardson	Snowe	Watt
Riomer	Spratt	Waxman
Romero-Barcelo	Stark	Wheat
(PR)	Stokes	Whitten
Rose	Strickland	Wilson
Rostenkowski	Studds	Wise
Rowland	Stupak	Woolsey
Roybal-Allard	Swett	Wyden
Rush	Swift	Wynn
Sabo	Tanner	Yates
Sanders	Tejeda	
Sangmeister	Thompson	

NOT VOTING—8

Clayton	McCurdy	Underwood (GU)
Frost	Moakley	Valentine
Henry	Packard	

□ 1655

Mr. SMITH of Michigan changed his vote from "aye" to "no."

Mr. JOHNSON of South Dakota, Mr. BLUTE, and Mrs. LLOYD changed their votes from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. STUMP

Mr. STUMP. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. STUMP: Page 79, strike line 18 through 23 and insert the following:

"(a) AMOUNTS GENERALLY.—Except as provided in subsection (b), an individual described in section 146(a) who successfully completes a required term of services in an approved national service position shall receive a national service educational award having a value, for each of not more than 2 of such terms of service, equal to—

"(1) 12 times the monthly rate used for the calculation of basic educational assistance allowances under section 3015(a)(1) of title 38, United States Code, as in effect on the date of the completion of such term of service; multiplied by

"(2) 80 percent."

Mr. STUMP (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. STUMP. Mr. Chairman, after further negotiation with the gentleman from the other side of the aisle, I am going to ask unanimous consent that I be permitted to withdraw my amendment and offer it tomorrow because of time limitations this evening.

The CHAIRMAN. Is there objection to the request of the gentleman from Arizona?

There was no objection.

The CHAIRMAN. The amendment is withdrawn.

AMENDMENT OFFERED BY MS. MOLINARI
Ms. MOLINARI. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Ms. MOLINARI: In section 131(e) of the National and Community Service Act of 1990, as added by section 101(b) of the bill, strike subsection (e) and insert the following:

"(e) LIVING ALLOWANCES AND OTHER IN-SERVICE BENEFITS.—An application submitted under section 130 shall also include an assurance by the applicant that any living allowance, health insurance, child care assistance, or other benefit that the applicant or any other person intends to provide to participants in a national service program carried out or supported by the applicant using assistance provided under section 121 will not be provided using such assistance or any portion of such assistance.

In Section 139 of the National and Community Service Act of 1990, as added by section 101(b) of the bill, strike subsections (a) and (b) and insert the following:

"(a) IN GENERAL.—As a condition of receiving a national service education award under subtitle D, a participant in an approved national service position shall be required to perform national service for at least one term of service specified in subsection (b).

"(b) TERM OF SERVICE.—

"(1) IN GENERAL.—Except as provided in paragraph (2), an individual performing national service in an approved national service position shall agree to participate in the program sponsoring the position for not less than 1,000 hours during a period of not less than 9 months and not more than 2 years.

"(2) REDUCTION IN HOURS OF SERVICE.—The Corporation may reduce the number of hours required to be served to successfully complete parttime national service to a level determined by the Corporation, except that any reduction in the required term of service shall include a corresponding reduction in the amount of any national service educational award that may be available under subtitle D with regard to that service.

In section 140 of the National and Community Service Act of 1990, as added by section 101(b) of the bill—

(1) in subsection (a)—

(A) in paragraph (1) strike "shall" and insert "may", and

(B) strike paragraph (2) and insert the following:

"(2) PROHIBITION ON USE OF FEDERAL ASSISTANCE.—The amount of the annual living allowance provided under paragraph (1), or any portion of that amount, may not be paid using assistance provided under section 121 or any other Federal funds.

(2) strike subsection (b).

(3) redesignate subsection (c) as subsection (b), and

(4) strike subsections (d), (e), (f), and (g).

In section 146(b) of the National and Community Service Act of 1990, as added by section 102(a) of the bill, strike "full- or parttime."

Ms. MOLINARI (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentlewoman from New York?

There was no objection.

Ms. MOLINARI. Mr. Chairman, I rise to offer my amendment to the bill before us, to address my concerns regarding the limited size of the program and

its cost. My concerns about this bill are purely public policy not philosophical concerns. I am not opposed to national service—but I am skeptical as to whether this bill is how we accomplish our goal.

My amendment will open the National Service Program up to thousands more individuals and foster purer voluntarism rather than creating public service employment. It will make the National Service Trust Act more amenable to the types of part-time volunteer services that thousands of our citizens provide every day, before and after work, during their lunch hours, on the weekends, and during their vacations.

First, my amendment will reduce the term of service participants must complete to receive a \$5,000 education award. Participants will have up to 2 years to complete 1,000 hours of service. This will allow individuals to serve their communities while having the autonomy to decide their volunteer schedule.

Second, my amendment will eliminate the Federal stipend, health care, and child care costs. The elimination of these Federal funds would allow thousands more people to participate under this program.

Simply put, my amendment would provide a \$5,000 educational award per term for 1,000 hours of community service and will allow approximately 77,800 individuals to participate in fiscal year 1994.

Contrast those numbers to the administration's proposal which only covers 25,000 individuals. Additionally, the cost under the administration's proposal for fiscal year 1994 is conservatively estimated to be \$15,560 per year per participant—\$5,000 for the educational award and \$10,560 to support the stipend, health, and child care costs.

Under my amendment, using the administration's request for \$389 million for fiscal year 1994—the number of slots available under this program would go from 25,000 to 77,800 participants per year.

Mr. Chairman, I understand that making national service less like a job and more like voluntarism will make it more difficult for some individuals to participate. However, it is my hope and belief that the local service programs would work with individuals interested in volunteering to achieve a diversity of participation.

The image that has been conjured up by the proponents of this bill is one of motivating and liberating the spirit of voluntarism that can bring communities and the Nation together.

I do not believe, however, that this spirit of voluntarism is adequately captured by the actual provisions of this legislation. The proposal before us looks more like public service employment, with federally financed pay and

fringe benefits. This bill cannot be a panacea for the problem of unemployment. If we are really talking about genuine service, let us get back to true voluntarism.

No one on the House floor is arguing against the goal of national service. It is perhaps the most noble one we together can create. But it is a goal, I believe, that can be met without targeting a very small fraction of our society at an exorbitant price to the American taxpayer. I ask my colleagues to support my amendment.

□ 1700

Mr. MARTINEZ. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this amendment virtually ensures that only those who can take a year or two off to do service can participate in this program. The disadvantaged, parents who cannot afford child care, those who might need child care, among others, would be unable to participate in this program.

National service is not volunteerism. Service is a way by which participants systematically work full-time or part-time toward solving problems in society. Service provides an opportunity for participants to give something back to their communities in a manner that develops a lasting sense of responsibility for fellow citizens and the Nation as a whole. There will clearly continue to be a demand for volunteers in meeting social needs.

H.R. 2010 recognizes, however, that all people are not equally able to volunteer and seeks to provide opportunities for diverse groups to participate in meeting community needs. Benefits such as the national service stipend, health care and child care costs, are essential to assuring equal opportunity for diverse participants.

The Molinari amendment tries to turn national service into volunteerism. The American people volunteer in record numbers and contribute mightily to charities. We do not need to stimulate volunteerism. We need to promote service.

It really pains me that the author of this amendment does not see the irony of this amendment. Some of the Members on the other side sought to means test this program, ensuring that only the participation of the poor would be available for this program, while this amendment in direct contradiction to that eliminates their participation, because without that stipend and the other benefits they would not be able to participate.

Further, this amendment seeks to allow for part-time participation in national service; but such language is really unnecessary because in H.R. 2010 it already exists and we make allowances for part-time service.

For that reason, Mr. Chairman, I urge the Members not to support this amendment, to vote against it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Ms. MOLINARI]. The amendment was rejected.

AMENDMENT OFFERED BY MR. SOLOMON
Mr. SOLOMON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SOLOMON:
Page 247, after line 3, strike the close quotation marks and the final period.
Page 247, after line 3, insert the following new subsection:

"(d) SPECIFICATION OF BUDGET FUNCTION.—The authorizations of appropriations contained in this section shall be considered to be a component of budget function 500 as used by the Office of Management and Budget to cover education, training, employment, and social services, and, as such, shall be considered as related to the programs of the Departments of Labor, Health and Human Services, and Education for budgetary purposes."

Page 284, after line 4, insert the following new paragraph:

"(5) SPECIFICATION OF BUDGET FUNCTION.—The authorizations of appropriations contained in this subsection shall be considered to be a component of budget function 500 as used by the Office of Management and Budget to cover education, training, employment and social services, and, as such, shall be considered as related to the programs of the Departments of Labor, Health and Human Services, and Education for budgetary purposes."

Mr. SOLOMON (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. SOLOMON. Mr. Chairman, I rise today in opposition to the National Service Trust Act in its present form, as it directly violates the trust we, as a Nation, have with those individuals who have performed what I think is the ultimate service for our country, and that is America's veterans.

Mr. Chairman, once again, we are placing our veterans on the altar of sacrifice so that this House can find the revenues necessary for its social spending, and I think that is wrong.

So many times in our great Nation's history, American men and women have voluntarily placed themselves in danger for the protection of our country and the principles upon which it was founded. And yet, now in response to their unselfish sacrifice we are asking them, once again, to step forward, to give up their health care benefits, to close down their clinics, to forget their war injuries, and carry the water once again for the good of the country.

A lot of Members do not think that is what this bill does, and I will take for granted that they are sincere about that; but I believe that is exactly what this bill does.

Mr. Chairman, our veterans have already found the water, defended the water, and carried the water all over the world for all of us.

Is it not about time we recognize the fact that without the national service of these men and these women, we would not even be here today discussing a domestic community service program?

Mr. Chairman, as presently written, the National Service Trust Act finds its funds in the pockets of our Nation's veterans. H.R. 2010 places the National Service Program under the jurisdiction of the appropriations subcommittee dealing with the Departments of Veterans Affairs, Housing, and the independent agencies.

Why?

Mr. Chairman, once again this Congress has made a grave mistake if we go ahead and do this.

First of all, this national service plan is not merely a community service program but a student loan assistance program; yet none of the National Service Act funds are taken from that part of the budget.

Second, the national service plan not only encompasses educational grants and loans, but also community service jobs, subsidized health and child care and minimum wage regulations. These projects clearly have nothing to do with veterans, housing, or the independent agencies, and therefore fall outside the jurisdiction of that budget function. Placing this National Service Program in this subcommittee function forces students and veterans to compete for limited funding, some of which this House has already appropriated specifically for veterans. And here we are going to take it away from them.

Furthermore, the Subcommittee on VA, HUD, and the Independent Agencies is already strained for fiscal resources. Was it more than mere coincidence that the President's budget called for a cut of more than \$340 million in veterans' educational programs in fiscal year 1994 while concurrently seeking \$384 million—almost the same amount—in nonmilitary national service program educational benefits for 1994?

Mr. FORD of Michigan. Mr. Chairman, if the gentleman will yield, the gentleman might like what I have to say.

Mr. SOLOMON. Well, just let me finish my statement.

Mr. FORD of Michigan. I cannot even give the gentleman a gift? I want to accept the gentleman's amendment.

Mr. SOLOMON. Let me finish.

Mr. FORD of Michigan. Well, we can get a vote on it, if the gentleman wants, but I am willing to accept the gentleman's amendment.

Mr. SOLOMON. Well, Mr. Chairman, I thank the gentleman for that gift. That is very nice of the gentleman. Let me just finish with my remarks.

The fact that both of these actions were performed under the jurisdiction of the Veterans' Administration made

it patently obvious to me that non-military national service was favored over military service, and at the expense of America's veterans.

As a result, the Veterans' Affairs Committee was forced to cut its budget by \$2.5 billion over the next 5 years.

At a cost of at least \$7.4 billion over the next 4 years, this national service plan will further erode funds for veterans' benefits and health care, and that is what I am worried about.

Proponents of this method of funding the National Service Program argue that the subcommittee already funds the existing national service initiative.

However, the existing program is extremely small, somewhat private—as a matter of fact, almost all private—and requires little to no administrative bureaucracy.

On the other hand, this new program is very expensive, at least \$7.4 billion, as I mentioned before, over 4 years, very inefficient, and requires excessive administration.

Some supporters also actually argue that it is necessary for this program to be funded under the VA, HUD Subcommittee because this bill creates a new independent agency.

Well, Mr. Chairman, that is what we are here for.

At a time of cutting spending and downsizing Government, national service creates a whole new agency and bureaucracy if we leave it set up the way it is in this bill.

The CHAIRMAN. The time of the gentleman from New York has expired. (By unanimous consent, Mr. SOLOMON was allowed to proceed for 2 additional minutes.)

□ 1710

Furthermore, if placed here in this part of the budget, what is to prevent this Congress from coming back next year to spend more taxpayer money and to further increase the size of Government, at further expense of veterans programs.

Just summing up, Mr. Chairman, I think this is poor budget policy. Placing this boondoggle under the responsibility of the VA, HUD Subcommittee only serves to further burden an already overstrained subcommittee.

In an attempt to rectify this affront to veterans and the budget process, the Solomon/Stump amendment provides specific budgetary instructions assuring that the National Service Program will be totally funded by the appropriations subcommittee on Labor, HHS, and Education, and shall not in any way compete with the funding of veterans programs. That is really all this amendment does.

The Solomon/Stump amendment also specifies budget function 500 as the function category from which these funds will be procured. Function category 500 deals with education, training, employment and social services,

which truly reflects the meaning and intent of national service, rather than function category 700 and the Appropriations Subcommittee on VA, HUD, and Independent Agencies.

Mr. Chairman, the Solomon/Stump amendment is strongly supported by all major veterans organizations including the American Legion, the VFW, the Non Commissioned Officers Association of America, and the American Vets, and I will be placing those letters in the RECORD.

Mr. Chairman, this amendment will reverse the manipulation of the budget and the appropriation process which has occurred over the past few years much to the detriment of America's veterans.

Funding this program from the pockets of our Nation's veterans is totally unacceptable and fiscally irresponsible. Veterans will compete with National Service for Federal funds, at a time when the existing appropriated funds do not, even cover the health benefits of our citizens who served in uniform.

Mr. Chairman, on top of undermining military recruiting, ruining the true spirit of voluntarism, encouraging students to drop out of high school, creating a new and costly bureaucracy, and serving less than one-half of 1 percent of the population, this program, if it is funded out of the veterans program, will cause great havoc to our funding for VA hospital and health care programs.

So, I would ask the Committee to accept the amendment.

THE AMERICAN LEGION,
Washington, DC, June 23, 1993.

Hon. WILLIAM H. NATCHER,
Chairman, House Appropriations Committee,
The Capitol, Washington, DC.

DEAR CHAIRMAN NATCHER: On behalf of the 3.1 million members of The American Legion, I take this opportunity to express the genuine concern for the addition of President Clinton's National Service Plan into the Appropriations Subcommittee on VA, HUD and Independent Agencies, in lieu of the Subcommittee on Labor, Health and Human Services and Education.

The logic behind this decision escapes our understanding. The new expenditure involves educational grants and loans, community service jobs and subsidized health and child care. These components clearly fall into the jurisdiction of the Labor-HHS appropriations subcommittee.

The Subcommittee on VA, HUD and Independent Agencies continues to do more with less. This year alone, the Veterans Affairs Committee was instructed to cut its budget by \$2.5 billion over a five year period. Mr. Chairman, the national deficit cannot continue to be balanced on the backs of veterans and their family members.

In reviewing the National Service Plan, there appears to be duplication of several existing programs. To consolidate the National Service plan with other existing educational programs, such as PELL grants, Jobs Training Partnership Act (JTPA) and Job Corps seems logical. Rather than the National Service Plan competing against other educational programs, why not incorporate them and make community service a criteria

for receiving Pell grants or JTPA funding. "Reinventing government" is suppose to eliminate duplication and combine efforts.

Thank you for your continued leadership on behalf of America's Veterans and their families.

Sincerely,

ROGER A. MUNSON,
National Commander.

THE AMERICAN LEGION,
Washington, DC, June 23, 1993.

Hon. ROBERT C. BYRD,
Chairman, Senate Appropriations Committee,
The Capitol, Washington, DC.

DEAR CHAIRMAN BYRD: On behalf of the 3.1 million members of The American Legion, I take this opportunity to express the genuine concern for the addition of President Clinton's National Service Plan into the Appropriations Subcommittee on VA, HUD and Independent Agencies, in lieu of the Subcommittee on Labor, Health and Human Services and Education.

The logic behind this decision escapes our understanding. The new expenditure involves educational grants and loans, community service jobs and subsidized health and child care. These components clearly fall into the jurisdiction of the Labor-HHS appropriations subcommittee.

The Subcommittee on VA, HUD and Independent Agencies continues to do more with less. This year alone, the Veterans Affairs Committee was instructed to cut its budget by \$2.5 billion over a five year period. Mr. Chairman, the national deficit cannot continue to be balanced on the backs of veterans and their family members.

In reviewing the National Service Plan, there appears to be duplication of several existing programs. To consolidate the National Service plan with other existing educational programs, such as PELL grants, Jobs Training Partnership Act (JTPA) and Job Corps seems logical. Rather than the National Service Plan competing against other educational programs, why not incorporate them and make community service a criteria for receiving Pell grants or JTPA funding. "Reinventing government" is suppose to eliminate duplication and combine efforts.

Thank you for your continued leadership on behalf of America's Veterans and their families.

Sincerely,

ROGER A. MUNSON,
National Commander.

THE AMERICAN LEGION,
Washington, DC, May 5, 1993.

Memorandum to: Robert Spanogle and John Sommer.

Subject: The National Service initiative versus Montgomery GI bill.

The National Service Initiative has three basic components: The National Trust, EXCEL Accounts and One-Stop Direct Student Loans. The National Service Trust will be closely akin to the Montgomery GI Bill. The other two components deal with student loans and repayment options and incentives. The Montgomery GI Bill does not contain provisions for student loans.

Under the current Montgomery GI Bill, enrollment is not automatic. A participant in the Montgomery GI Bill program must agree to pay \$1200 during the first year of active duty to enroll in the program. After three years of active duty, the participant is entitled to \$400 a month for 36 months as a full-time student. If the participant is not a full-time student, the entitlement is reduced. There are no provisions for health care, child

care or a minimum wage stipend for Montgomery GI Bill participants.

Under the proposed National Service Trust, a person may become eligible for two years participation. Participants pay nothing to enroll in the program. Participants receive a maximum \$5000 award per year for college or job training paid directly to the educational or training institution. In addition, participants will receive a minimum wage stipend, health care and child care, if needed. The type of community service to be performed will be determined by the local communities to meet local needs. This proposal clearly exceeds the current Montgomery GI Bill benefits.

The specifics on who is eligible; criteria for selection; and who qualifies for stipends, health care and child care were not very clear. I believe those points will be discussed if and when the programs become a reality. I am curious if veterans, who are using the GI Bill could apply for these programs?

STEVEN ROBERTSON,
Deputy Director,
National Legislative Commission.

MR. PRESIDENT, HOW ABOUT A GI BILL FOR GIS?

WASHINGTON, April 30, 1993.—"If laying down your life for your country isn't a 'national service,' then nothing is," said Roger A. Munson, National Commander of the American Legion.

"The American Legion is not criticizing the president for introducing a national service plan that would provide education for millions of young Americans. We have always supported such education," said Munson, the top official in the 3.1-million member veterans group.

"However, we do think it a strange set of priorities when those who are currently providing national service to their country are entitled to less benefits than those who are yet to serve their nation. What do we say to brave young men and women who served with distinction in Desert Storm and who at this very moment are on duty in Somalia and flying over Bosnia?"

Munson continued: "It is only right and just that we recognize the highest form of national service—service in the Armed Forces of the United States."

"The morale of the armed forces in a nose-dive," Munson said. "First came defense cuts and involuntary discharges. Then came plans to lift the ban on homosexuals and place women in combat. Now comes an education package for 'national service' that's superior to the GI Bill, and the veterans don't even have an opportunity to participate in it."

The American Legion commander pointed out that Senator Sam Nunn sponsored an unsuccessful "Citizen Corps" bill in 1989 that would have revamped the military's GI Bill and created national service for civilians, with benefits carefully weighted to ensure that service members received better educational benefits than those yet to provide any national service.

The American Legion commander urged the administration to consider the Combat-Era Serviceperson's Readjustment Act of 1993. The measure, introduced today by Sen. Dennis DeConcini, provides for a substantial improvement in GI Bill education benefits.

NON COMMISSIONED OFFICERS ASSOCIATION OF THE UNITED STATES OF AMERICA.

Alexandria, VA, July 20, 1993.

Hon. GERALD B. SOLOMON,
House of Representatives, Washington, DC.

DEAR MR. SOLOMON: The Non Commissioned Officers Association of the United

States of America (NCOA) is pleased to support your amendment to H.R. 2010, the National Service Trust Act of 1993, to appropriately place budgetary functions of the non-military National Service Program under the appropriations subcommittee on Labor, Health and Human Services, and Education.

NCOA believes that it was more than mere coincidence that the President's budget called for a cut of \$340 million in veterans' educational programs for Fiscal Year 1994 while concurrently seeking \$384 million in non-military National Service Program educational benefits. The fact that both actions were under the jurisdiction of the Veterans Administration made it patently obvious that non-military national service was favored over military service and at the expense of America's veterans.

The association believes that military service represents the highest form of national service; therefore, educational assistance associated with military service should be rewarded accordingly and should not be required to compete for funding appropriations in the same budget function category as that for non-military educational assistance. NCOA believes that your amendment is an accurate reflection of the budget function category where non-military national service educational assistance should be placed, specifically, function category 500 which deals with education, training, employment, and social service.

NCOA agrees with your assessment that passage of your amendment will reverse the manipulation of the budget and appropriations processes which have repeatedly occurred and always to the detriment of America's veterans.

Sincerely,

LARRY D. RHEA,
Deputy Director of Legislative Affairs.

VETERANS OF FOREIGN WARS
OF THE UNITED STATES,
Washington, DC, July 19, 1993.

Hon. GERALD SOLOMON,
Hon. BOB STUMP,
House of Representatives, Washington, DC.

DEAR CONGRESSMEN SOLOMON AND STUMP: On behalf of the more than 2.2 million men and women of the Veterans of Foreign Wars of the United States, I wish to take this opportunity to commend you for introducing two amendments to H.R. 2010, the "National Service Trust Act of 1993". Your amendments directly address two concerns the VFW has with the national service plan: One, we do not support any plan which would give a greater benefit than the Montgomery GI Bill; and two, we believe that a national service plan should not be placed under the jurisdiction of VA, HUD, and Independent Agencies, but rather come under the Appropriations Subcommittee for Labor—Health and Human Services.

By limiting the benefit for the national service plan to not exceed 80% of the benefit provided by the Montgomery GI Bill, the military service would remain a preferable option for individuals who wish to serve the nation in the Armed Forces while at the same time accruing funds to attend college. Also we commend you for offering an amendment that would place the national service plan under the Appropriations Subcommittee for Labor—Health and Human Services. As you know, VA funding has been woefully inadequate over the years and part of the reasoning for this is that VA is constantly in direct competition with other agencies for a fair share of the budget dollar. Placing the

national service plan under the jurisdiction of VA, HUD, and Independent Agencies Subcommittee is just another action that would inevitably undermine the VA's ability to fulfill its commitment to care for the men and women who have served our nation.

Again, the VFW strongly supports the two amendments you plan to offer and encourages their adoption.

Sincerely,

JAMES N. MAGILL,
Director,
National Legislative Service.

VETERANS OF FOREIGN WARS
OF THE UNITED STATES,
Washington, DC, June 18, 1993.

Hon. WILLIAM H. NATCHER,
Chairman, Committee on Appropriations,
House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: It has come to our attention that a proposal is soon to be offered for consideration by the committee that would place funding for the National Service Program under the jurisdiction of the VA, HUD and Independent Agencies Subcommittee. On behalf of the 2.2 million men and women of the Veterans of Foreign Wars, I express our strong opposition to this proposal.

As you know, VA funding has been woefully inadequate over the years. Part of the reasoning for this is VA is constantly in direct competition with other agencies for a fair share of the budget dollar. This proposal would place VA in direct competition with yet another domestic program. This is just another action that would inevitably undermine the VA's ability to fulfill its commitment to care for the men and women who have served our nation.

Mr. Chairman, the VFW urges that the National Service Program not be placed under the jurisdiction of VA, HUD and Independent Agencies but remain under Labor—Health and Human Services.

Sincerely,

JOHN M. CARNEY,
Commander-in-Chief.

Mr. FORD of Michigan. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I was called off the floor by a group of college presidents, and the staff told me, I say to the gentleman from New York [Mr. SOLOMON], that before I returned it was indicated that, if I would accept the gentleman's amendment, he would be inclined to support this bill, and, if that is true, I will accept the gentleman's amendment. I think the gentleman's vote is so valuable that I am willing to take his amendment to get it.

Mr. SOLOMON. Mr. Chairman, will the gentleman yield?

Mr. FORD of Michigan. I yield to the gentleman from New York.

Mr. SOLOMON. Mr. Chairman, I say to the gentleman that there are a couple of other important amendments which I have a lot of concern about.

Mr. FORD of Michigan. I am not going to accept other amendments that are not printed, but this amendment I think I understand, and I think I understand a proposition when it is thrown at me, and, if that is the gentleman's proposition, I will take him up on it, and I will accept his amendment.

Mr. SOLOMON. Mr. Chairman, Nancy Reagan used to say, "Just say no," but I just cannot say "yes" yet.

But look, seriously, I would be much more inclined to support the bill. But I am more concerned that these benefits do not exceed those of the GI bill, and, as the gentleman knows, I will have to wait and see what happens with these other amendments.

Mr. FORD of Michigan. Mr. Chairman, I say to the gentleman, "Mr. SOLOMON, you have no idea how many people will demand an explanation from me of why I would accept a Solomon amendment to begin with, and I cannot win if I try to take the amendment and the gentleman does not want to do business."

I do not take lightly what the gentleman says on the floor. He is the ranking member of the Committee on Rules. I do not take lightly what he says up there. He has got my legislative future in his hands at least once every 2 weeks around this place.

Let us make a deal right here and make everyone feel good. I say to the gentleman, "I'll take your amendment, and you vote for the bill."

Mr. SOLOMON. Mr. Chairman, I would love to do that, but I just cannot do it because I really would like to deliberate on the final form of the bill. Let us see what happens with the next two amendments.

Mr. FORD of Michigan. Then unfortunately, Mr. Chairman, I do not know what the reason is that I cannot even give the gentleman what he spoke of and said that he wanted. For that reason I will have to decide there is something in the amendment that I do not see and, therefore, I will have to oppose the adoption of the amendment.

Mr. STEARNS. Mr. Chairman, will the gentleman yield for just a question?

Mr. FORD of Michigan. I yield to the gentleman from Florida.

Mr. STEARNS. Obviously the gentleman has not seen the final bill, and many of us have not seen what the final bill will look like, so I think all of us will have to reserve. But I encourage the gentleman to accept the amendment because that would be one more step toward allowing all of us to support this, but there are many more amendments to come, so I would appreciate reconsideration.

Mr. FORD of Michigan. All right; Mr. Chairman, I hear the gentleman.

Now the gentleman from New York [Mr. SOLOMON] said he would be inclined to support this bill if I could get this amendment accepted. The gentleman from Florida [Mr. STEARNS] is now asking me to accept the amendment. I ask the gentleman, "Can I get your vote if I accept the amendment?"

Mr. STEARNS. Mr. Chairman, I say to the gentleman, "I'm willing to bargain with you if you'll accept some of the Molinari."

Mr. FORD of Michigan. I am not asking for both of them, just the gentleman's.

Mr. STEARNS. How about the Molinari amendment? I ask the gentleman, "Will you accept the Molinari amendment?"

Mr. FORD of Michigan. No, no, no.

Mr. STEARNS. I would be more inclined if the gentleman would accept the Molinari amendment.

Mr. FORD of Michigan. Well, would the gentleman in good faith commit to vote for the bill if I accept the gentleman's amendment?

Mr. STEARNS. The Molinari amendment?

Mr. FORD of Michigan. No; your amendment.

Mr. STEARNS. Oh, I do not have an amendment.

Mr. FORD of Michigan. Is the gentleman supporting this amendment?

Mr. STEARNS. I am supporting the amendment offered by the gentleman from New York [Mr. SOLOMON], and I have seen the gentleman on the House floor before, and I think the gentleman has been very fair, and I think in good conscience I urge him to accept the Solomon amendment.

Mr. FORD of Michigan. Well, would the gentleman tell me what percentage there is in saying, "Yes," if the gentleman does not even have the respect in the morning that I had the night before. I mean those guys want it all.

Mr. STEARNS. I appreciate the gentleman having offered me this time.

Mr. FORD of Michigan. I am offering to say yes, but the gentlemen are not giving me much respect.

Mr. Chairman, I will have to oppose the amendment because it apparently means something other than that which it states on its face.

Mr. EWING. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I am not going to take 5 minutes, and I am not going to try to make any deals either on this bill. I do want to place in the RECORD my written opposition to this bill.

Mr. Chairman, many other speakers before me have already very eloquently stated their opposition to the bill, and I submit the following statement for the RECORD.

Mr. Chairman, like many of my colleagues, I feel that national service is an ill-advised initiative which does not meet the urgent needs for educational opportunities.

I feel that there are a number of significant flaws in the national service proposal. Of major concern is the cost of the program which well outweigh any benefits. The cost of the National Service Act is estimated at \$394 million for 1993-94, reaching an estimated total of \$7.4 billion during the first 4 years. The program will fund up to 25,000 young persons in the first year, with a goal of up to 150,000 in 1998. The estimated cost per student could be anywhere between \$20,000 and \$29,000. This compares with the maximum \$2,400 per year a student can currently receive through the Pell Grant Program. While the cost of the service program will reach into the billions of dollars, it would only help a small fraction of

the 3.9 million students currently being assisted by the Guaranteed Student Loan Program and the 2.5 million students who receive Pell grants. With the same funds, these students could pay an entire tuition bill at many 4 year colleges.

In addition, I do not feel that the National Service Trust Act should be funded at the expense of existing programs under which millions of students have already been promised assistance for the fall semester. In order to pay for the National Service Program the administration has proposed reductions in student aid funding amounting to \$78.3 million and would reduce the maximum Pell grant from this academic year's level of \$2,400 to \$2,250. The administration has also proposed to eliminate the State Student Incentive Grant Program.

While proposing cuts for these need-based Federal aid programs, the existing service proposal will not target those students who have the greatest need for financial assistance. In fact, this new program will not require any proof of financial need in order to qualify. This program could easily widen the economic gap and take higher education out of the reach of our neediest students.

In addition, the proposed plan will undoubtedly require new Federal and State bureaucracies to implement and oversee the service program. Funding for the program will be administered by politically appointed boards chosen by Governors at the State level, and by the President at the national level. This type of a delivery system opens the door for political favoritism rather than meeting the needs of potential recipients. I think taxpayers are tired of funding the political bureaucracies behind Federal and State programs.

I urge my colleagues to oppose the National Service Trust Act.

Mr. STUMP. Mr. Chairman, I rise in strong support of the amendment offered by the gentleman from New York, my good friend and distinguished ranking member of the Rules Committee, Mr. SOLOMON. The amendment would require that funding for the President's proposal to award educational benefits to persons participating in community service would be totally funded through the Labor, HHS, and Education Subcommittee on Appropriations.

For a number of reasons, I am opposed to H.R. 2010, but chiefly because it would in my opinion only serve to increase the recruitment difficulties being experienced by the Armed Forces in the aftermath of Defense drawdown. However, to request that funding for this program come through the Subcommittee on VA, HUD and Independent Agencies is to add further insult to the injuries already being experienced by the Department of Veterans' Affairs.

For several years I have supported a measure which would establish a separate appropriations Subcommittee on Veterans' Affairs.

This resolution was based on the historical trend of veterans receiving insufficient funding priority within the VA, HUD and Independent Agencies Subcommittee due to the enormous demands of allocating limited resources between such diverse demands as science, space, housing, environmental restoration, various assortment of independent agencies, and our Nation's 27 million veterans. Funding

for the Department of Veterans Affairs has not kept pace with inflation for over 11 years, especially in health care costs.

Now H.R. 2010 would add yet another costly program to compete for the scarce health care dollars needed to care for our Nation's aging veteran population.

The challenges of meeting the health care needs of veterans are very real. The median age of the World War II veteran is 69. By the year 2000, the number of veterans over age 65 will rise to 9 million. The stark reality is that VA has neither overcome earlier funding deficits, nor can it overcome the challenge of caring for older veterans with the levels requested by the administration for fiscal year 1994.

Because of enormous competition for funding from the other domestic needs under the jurisdiction of the VA, HUD and Independent Agencies Subcommittee, VA has consistently fallen short in its ability to meet the needs of veterans.

What's more, this administration requested cuts to the GI bill program and other important veterans programs in order to achieve the mandated \$2.5 billion savings required by budget reconciliation. So while the Committee on Veterans' Affairs is scrambling around every year trying to choose cost-savings proposals in an already bare bones VA budget, the President is proposing yet another program to further erode funds for veterans.

So as always, it comes down to a choice, do we continue to meet the obligation to care for the veterans who have already contributed to national service? Or do we lessen our commitment to these veterans, many who are aging with catastrophic war incurred disabilities, so that we can as the President says, invest in America's future. It is dishonorable to abandon the past and those who have already answered the Nation's call so that we can create new programs with borrowed money for future generations. A solid future must be supported by a strong and honorable past. To ignore those who served in the past ensures the instability of future generations.

The amendment would eliminate this offensive quandary. It would require that the National Service Program fall under the more appropriate jurisdiction of Labor, HHS and Educational Appropriations Subcommittee.

Mr. Chairman, I urge my colleagues to support the Solomon/Stump amendment to H.R. 2010.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. SOLOMON].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. SOLOMON. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 259, noes 171, not voting 9, as follows:

[Roll No. 352]

AYES—259

Allard
Andrews (TX)
Applegate

Archer
Armey
Bacchus (FL)

Bachus (AL)
Baker (CA)
Baker (LA)

Ballenger
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bateman
Bentley
Bereuter
Bevill
Bilirakis
Bishop
Bliley
Blute
Boehlert
Boehner
Bonilla
Borski
Brewster
Browder
Bryant
Bunning
Burton
Buyer
Callahan
Calvert
Camp
Canady
Canady
Cantwell
Castle
Clement
Clinger
Clyburn
Coble
Collins (GA)
Combest
Condit
Cooper
Costello
Cox
Cramer
Crane
Crapo
Cunningham
de la Garza
Deal
DeFazio
DeLay
Derrick
Deutsch
Diaz-Balart
Dickey
Dooley
Doolittle
Dornan
Dreier
Duncan
Dunn
Edwards (TX)
Emerson
Everett
Ewing
Fawell
Fields (LA)
Fields (TX)
Fingerhut
Fish
Fowler
Franks (CT)
Franks (NJ)
Gallegly
Gallo
Gekas
Geren
Gilchrest
Gillmor
Gillman
Gingrich
Glickman
Goodlatte
Goodling
Goss
Grams
Grandy
Greenwood

Gunderson
Gutierrez
Hall (OH)
Hancock
Hansen
Hastert
Hastings
Hayes
Hefley
Hefner
Herger
Hilliard
Hoagland
Hobson
Hochbrueckner
Hoekstra
Hoke
Horn
Houghton
Huffington
Hughes
Hunter
Hutchinson
Hutto
Hyde
Ingalls
Inhofe
Inhofe
Inslee
Istook
Jacobs
Johnson (CT)
Johnson, Sam
Kasich
Kennedy
Kildee
Kim
King
Kingston
Klink
Klug
Knollenberg
Kolbe
Kyl
Lambert
LaRocco
Laughlin
Lazio
Leach
Levy
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lightfoot
Linder
Lipinski
Livingston
Machette
Manzullo
McCandless
McCollum
McCrery
McDade
McHugh
McInnis
McKeon
McMillan
Meehan
Meek
Menendez
Mfume
Mica
Michel
Miller (FL)
Minge
Molinar
Montgomery
Moorhead
Morella
Myers
Nussle
Obey
Ortiz
Orton
Oxley

Pallone
Parker
Paxon
Payne (VA)
Penny
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pickle
Pombo
Pomeroy
Portman
Poshard
Pryce (OH)
Quillen
Quinn
Rahall
Ramstad
Ravenel
Regula
Richardson
Ridge
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Rowland
Royce
Sangmeister
Santorum
Sarpalilus
Saxton
Schaefer
Schiff
Sensenbrenner
Serrano
Sharp
Shaw
Shays
Shuster
Sisisky
Skeen
Slatery
Slaughter
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Spratt
Stearns
Stenholm
Stump
Sundquist
Synar
Talent
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas (CA)
Thomas (WY)
Torkildsen
Traficant
Upton
Volkmer
Vucanovich
Walker
Walsh
Weldon
Williams
Wolf
Young (AK)
Young (FL)
Zeliff
Zimmer

NOES—171

Abercrombie
Ackerman
Andrews (ME)
Andrews (NJ)
Baesler
Barca
Barcia
Barlow
Becerra

Beilenson
Berman
Bilbray
Blackwell
Bonior
Boucher
Brooks
Brown (CA)
Brown (FL)

Brown (OH)
Byrne
Cardin
Carr
Chapman
Clay
Clayton
Coleman
Collins (IL)

Collins (MI)	Kennelly	Reynolds
Coppersmith	Klecza	Roemer
Coyne	Klein	Romero-Barcelo
Danner	Kopetski	(PR)
Darden	Kreidler	Rose
de Lugo (VI)	LaFalce	Rostenkowski
DeLauro	Lancaster	Roybal-Allard
Dellums	Lantos	Rush
Dicks	Lehman	Sabo
Dingell	Levin	Sanders
Dixon	Lloyd	Sawyer
Durbin	Long	Schenk
Edwards (CA)	Lowey	Schroeder
Engel	Maloney	Schumer
English (AZ)	Mann	Scott
English (OK)	Manton	Shepherd
Eshoo	Margolies-	Skaggs
Evans	Mezvinsky	Skelton
Faleomavaega	Markey	Smith (IA)
(AS)	Martinez	Stark
Farr	Matsui	Stokes
Fazio	Mazzoli	Strickland
Filner	McCloskey	Studds
Flake	McDermott	Stupak
Foglietta	McHale	Swett
Ford (MI)	McKinney	Swift
Ford (TN)	McNulty	Thompson
Frank (MA)	Miller (CA)	Thornton
Furse	Mineta	Thurman
Gejdenson	Mink	Torres
Gephardt	Mollohan	Torricelli
Gibbons	Moran	Towns
Gonzalez	Murphy	Tucker
Gordon	Murtha	Unsoeld
Green	Nadler	Velazquez
Hall (TX)	Natcher	Vento
Hamburg	Neal (MA)	Visclosky
Hamilton	Neal (NC)	Washington
Harnan	Norton (DC)	Waters
Hinchey	Oberstar	Watt
Holden	Oliver	Waxman
Hoyer	Owens	Wheat
Jefferson	Pastor	Whitten
Johnson (GA)	Payne (NJ)	Wilson
Johnson (SD)	Pelosi	Wise
Johnson, E.B.	Porter	Wooley
Johnston	Price (NC)	Wyden
Kanjorski	Rangel	Wynn
Kaptur	Reed	Yates

NOT VOTING—9

Conyers	McCurdy	Packard
Frost	Meyers	Underwood (GU)
Henry	Moakley	Valentine

□ 1745

Mr. PORTER changed his vote from "aye" to "no."

Messrs. PALLONE, GUNDERSON, EDWARDS of Texas, CLEMENT, DEUTSCH, ROWLAND, KLUG, KLINK, COSTELLO, POSHARD, LIPINSKI, SANGMEISTER, DEAL, DOOLEY, BREWSTER, SARPALIUS, HOAGLAND, BRYANT, and HASTINGS, Ms. SLAUGHTER, Messrs. GUTIERREZ, HEFNER, CLYBURN, FIELDS of Louisiana, HILLIARD, HOCHBRUECKNER, and RICHARDSON, Mrs. MEEK, Mr. BISHOP, Mr. BORSKI, Mrs. MORELLA, and Messrs. BACCHUS of Florida, MFUME, BARRETT of Wisconsin, MENENDEZ, HUGHES, LEWIS of Georgia, KILDEE, DEFAZIO, LAROCO, FINGERHUT, SERRANO, PETERSON of Florida, HALL of Ohio, and INSLEE changed their vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

Mrs. FOWLER. Mr. Chairman, as a volunteer in my own community for the past 22 years, I wholeheartedly support the concept of service. Unquestionably, higher education will provide the vehicle to our Nation's long term economic recovery, stability, and a higher

standard of living for all Americans. I believe that the Federal Government can and should encourage and help young people further their educational goals. However, while I support the admirable goals of H.R. 2010, the National Service Program is one more example of unwarranted, irresponsible Federal spending at a time of severe fiscal crisis and growing national debt.

The President has proposed a reduction in campus-based student financial aid and the total elimination of the State Student Incentive Program. The Appropriations Committee has reduced the maximum Pell grant award. At a time when the Federal Government is without adequate resources to support the many proven programs that exist, it seems inappropriate to initiate a costly new program without telling evidence that it is needed.

This program is indiscriminate in choosing recipients, distributing financial aid dollars to students who simply do not need assistance. A more reasonable approach would be to use the same needs analysis for this educational award that is used for other Federal student financial aid programs. Educational awards should be given to those who do need them to help pay for an education.

The idea of national service is not new. The National and Community Service Act of 1990 contains a demonstration program which similarly authorizes the award of a postservice benefit for individuals engaging in part or full-time service. At the very least before committing \$7.4 billion over the next 4 years for a new program, we in Congress should conduct a full review of the demonstration program already receiving Federal support. Furthermore, the Government currently spends at least \$1.2 billion each year on 24 different volunteer programs. No new programs should be initiated without a thorough review of existing Federal volunteer programs.

Now is not the time to create another unneeded, costly Federal program. Instead of putting scarce Federal resources into a new program that is not needed, taxpayer dollars should be put into programs that are in need of adequate funding, such as the Pell Grant Program. I urge my colleagues to vote against H.R. 2010, the National Service Trust Act.

Mr. KYL. Mr. Chairman, the communities of Arizona depend greatly on the good deeds of its many volunteers. From the Arizona clean and beautiful project to the Crime Victim Foundation to St. Mary's and Andre House food bank, thousands of Arizonans, young and old, give their time to the need of others.

Although I fully support the goal of encouraging all citizens to engage in service to their country and community, I strongly oppose H.R. 2010 because it looks more like an expensive public employment program than a bill to encourage community service and volunteerism. Volunteer efforts have always been successfully driven by the nongovernmental charitable sector. In fact, volunteer efforts are flourishing in Arizona and throughout the Nation. In 1991, nearly 100 million Americans aged 18 and over volunteered in some capacity. H.R. 2010 will undermine this spirit of volunteerism and the genuine desire among America's young people to do good for the community.

Under the national service plan, students will receive at least the minimum wage, health

and child care benefits, and \$5,000 per year for up to 2 years for their volunteer efforts. All combined, this plan will equal up to \$20,000 per year in salary for each national service volunteer. These benefits will cost the American taxpayer nearly \$400 million this year and \$7 billion by 1997.

Unlike the Federal Pell Grant Program which distributes education awards based on financial need, the financial needs of the student will not be taken into consideration under the National Service Program; this program, and in effect the taxpayer, could subsidize the college education of millionaires. If one does a little arithmetic, it is easy to see that the \$20,000 the national service plan provides each student could be used instead to fully fund, \$2,400 per student, the Pell grants of eight financially needy students.

All this comes at a time when the Federal Government is scraping bottom to find the resources to fund already established and effective education assistance programs such as the Pell grant. Fully funding the national service plan without having hard data documenting the successes and failures of a national service demonstration plan is wrong and will also negatively impact the funding levels of other education assistance programs.

Proponents of the national service plan say the program will not take money away from other education programs because funding will come from two separate appropriations bills. Regardless of which appropriations bill provides the funding, the fact is in the end it all comes from one account, from other proven education programs, and from the pocketbook of the American taxpayer.

Another troubling aspect of the national service plan is the effect it will have on armed services recruitment. The national service plan will offer a better level of benefits than the armed services plan and will, therefore, draw the best and brightest pool of young people away from military service.

The GI bill provides \$4,800 in education benefits per year for up to 3 years to service members, but each service member must commit to 3 years of service and pay in \$1,200 of his or her own money during the first year of service to qualify for the benefits. These military education benefits can not compare with the national service education benefits. It will not take much effort for a student to figure out which is the better deal and which program in which to participate.

This will compound the recruiting difficulties the military is already experiencing as a result of the widespread misconception that the military is not recruiting as a result of its size being reduced. The Army, for example, for the first time this spring had to accept some volunteers who tested low in mental aptitude to meet its quotas. Military recruiters say that the overall quality of recruits remains high for now, but whether it can remain high will be in question should the national service plan offer education benefits superior to the military's plan.

In contrast to the military where there is great need for qualified personnel, the National Service Program could easily consist of make-work Government jobs that are costly and wasteful. The Peace Corps, National Health Service Corps, VISTA, and more than 60 State and local programs involve only

18,000 individuals. From where are the 150,000 jobs the national service plan promises to create going to come?

These jobs would be created by the Corporation for National Service which would set up a politically appointed board chosen by State Governors to funnel Federal funds to selected private and civic groups. This process, including both the appointment of board members and selection of groups to receive Federal funds, is ripe for political abuse and would turn into a political patronage program.

This legislation is simply a bad idea. Given our Nation's budgetary constraints, the National Service Trust Act is entirely too costly; where else but in Washington, DC, would a volunteer program cost \$7 billion, its purpose is unfocused, it displaces the development of nongovernmental charity with make-work service jobs, it is open to politicization, and in a time when the American public is looking for ways to get away from Big Government the legislation will create a huge, new Government bureaucracy. For these and a myriad of other reasons, I urge my colleagues to vote against H.R. 2010, the National Trust Act.

Mr. SYNAR. Mr. Chairman, I rise today in opposition to H.R. 2010, the National Service Trust Act.

We have a budget deficit. Yet we are investing a large sum of money to create a new bureaucracy for a program that may not work. This act is an experiment that we do not have the money to support. It is expected to cost \$394 million within the first year. If fully implemented, it will cost the taxpayers \$7.4 billion over the next 4 years, \$7.4 billion, on an experiment. Think what we could do with that amount of money if we used it in our existing, proven, education programs.

It will cost about \$30,000 to support a service program participant for 2 years. Pell grants are limited to \$2,400, and they still do not fully serve all those that are eligible, the State Student Incentive Grant program has been cut completely. The participants will in fact receive at a maximum \$10,000 for their education. That does not even begin to address the educational costs at most institutions.

The poor will still need additional help to get through school.

The rich will receive money that they do not need.

The middle class will get stuck no matter what.

Moreover, I worry that despite the protestations of this act's supporters it will, in fact, damage our current education programs. We are working with limited resources. Because of this, try as we might not to cut existing programs, it is certain that we will eventually need to do so. Common sense tells us that the money must come from somewhere.

Furthermore, the program participants will be put to work to try to meet the needs of communities that are not currently being met. That raises two truths. First, those unmet needs they are referring to are jobs. Jobs that people are looking for, jobs that they need. This program gives communities an option. Find a way to support new jobs at their real wage, or join the national service program and for about \$1,000, get an employee. What community will say no to that?

Second, communities are held back in their development efforts by outmoded sewers and

insufficient roads. Investing an amount equal to the cost of the service program into the community's infrastructure and thus enabling that community to better support itself makes more sense than encouraging them to rely on Band-Aid efforts from the Federal Government.

This bill is not the answer to our Nation's ills.

Supporters of this act claim that it will build a sense of community, expand educational opportunity, and reward individual responsibility while encouraging Americans to work together to tackle our common problems. I applaud those aims, but I question whether they can be prescribed in this or any other act.

As the Mississippi River has overflowed its banks, thousands of volunteers have worked to protect their communities, laboring tirelessly to save their and their neighbors' homes. Thousands more have left the comfort and safety of their own homes to aid the river's victims in their efforts, and to offer comfort when those efforts fail.

The values that these people evince of service, caring, and community cannot be legislated.

And it's not just disasters that promote this type of effort. Everywhere I have traveled, I have met thousands of concerned, committed individuals who have made the effort to improve their communities and who often, through sheer force of will, have found a way to provide for their communities needs.

These individuals serve their community without the promise of reward. The most successful communities I have visited have these people in abundance. The least successful are sadly lacking in these souls. And as a result, they are lacking in the will to improve. The communities without, will complain about how bad things are and demand that they be fixed. The communities with, will tell me how things are improving.

This will is something that cannot be legislated. Individuals who desire to serve do so. Communities who desire to improve do so. All the incentives in the world will not change those two basic facts.

As I thought over this proposal, I remembered how my father went to college with 50 cents in his pocket. He worked his way through school. And then he served his country in the war. There was no national service program to reward him. He did not need an inducement to make a contribution.

We are proposing to spend billions to pay people to do something they would do for free. There are so many needs yet to be met in America. This program is a luxury. In good conscience, I cannot support it.

I urge you to vote against H.R. 2010. Defeat the National Service Trust Act.

Mr. MILLER of California. Mr. Chairman, I rise today in strong support of H.R. 2010, the National and Community Service Act.

This landmark legislation will bridge the gap between affordable education and community service, while establishing a sense of citizenship and national pride among its participants.

H.R. 2010 will expand service opportunities for young people, allowing them to contribute to their communities while earning an educational award to be used toward financing college loans or additional education. The

strength of this legislation is rooted in its flexibility to create service programs which will address the variety of needs facing today's society and environment.

Contained in the National Service initiative is authorization for a unique youth corps program geared toward meeting the conservation, construction, rehabilitation, and restoration needs of the Nation's public lands. This program, the Public Lands Corps, will allow National Service participants the opportunity to assist Federal agencies with ongoing efforts to manage our public lands on behalf of present and future generations of Americans.

Federal and Indian lands comprise one-third of the entire land base in the United States. Our national parks, forests, wildlife refuges, historic sites, and Indian reservations are falling prey to overuse, inadequate maintenance, and deteriorating infrastructure. Existing Federal land managing agency staffing levels preclude full-time staff from sufficiently addressing this backlog.

Since the 1980's, Members of Congress have been pursuing efforts to create a year-round Federal conservation corps program which would supplement agency conservation work on Federal and Indian lands. The Public Lands Corps responds to this effort by building on the existing Youth Conservation Corps [YCC] program to extend age limits of corps participants, provide for year-round participation, and establish congruous goals and benefits with the National Service initiative.

The Public Lands Corps will be a year-round program administered by the Secretaries of the Interior and Agriculture. Participants will be able to perform such tasks as firefighting, trail construction, erosion control, improvements of wildlife habitat, reforestation, and environmental cleanup.

The age requirements and living allowances—minimum wage—authorized by the Public Lands Corps are fully compatible with those of the other programs described in the National Service legislation.

This program will be eligible to compete for funding grants from the National Service Commission as well as function independently of National Service. Public Lands Corps participants who satisfy the criteria established by the National Service Trust Act will be qualified to receive the educational awards granted other National Service participants. In this way, corps members will be able to pay off college loans while receiving valuable job training, life skills, and an appreciation of the Nation's rich natural and cultural heritage.

The Public Lands Corps will broaden service opportunities to many young people who may not be participating in the National Service program by authorizing contract or cooperative agreements with existing qualified corps and nonprofit agencies to perform work on public lands. This extends valuable service and interactive opportunities to members of State and local corps. In States where other qualified corps do not exist, the Public Lands Corps will serve as the sole approach for Federal land conservation program.

Finally, this corps responds to the need voiced by representatives from many Federal land managing agencies to develop a program which allows individual placements. The Public Lands Corps authorizes the recruitment and

placement of resource assistants within the agencies who will assist with research or resource protection issues on behalf of the agency.

I applaud the strong commitment to national service demonstrated by the administration, and particularly Secretary Babbitt in his testimony before the Education and Labor Committee. I would also like to recognize the dedication to this initiative Chairman FORD has shown in bringing this important legislation before the House today. I urge my colleagues to join me in supporting this new program of national service.

Mr. PENNY. Mr. Chairman, I rise in support of H.R. 2010, the National Service Trust Act and applaud President Clinton for his leadership on this issue providing for the first time real opportunities of meaningful national service for our young people.

Throughout our country's history, and particularly in this century, generations of young Americans have been called on to serve their country. We have faced two world wars, conflicts in Korea, Vietnam, and Iraq, and have dealt with a worldwide economic depression. And we have prevailed. Thankfully, the threat of world war has been somewhat lessened for the young people of the 1990's. But, the challenges of our society are as great as ever as we struggle to meet the needs of our citizens, young and old; the needs of our communities, large and small; and the needs of the future, economic and educational. How are we to address these needs?

A program of national voluntary service, such as proposed in H.R. 2010, which would allow the energy, vitality, and intelligence of this new generation of Americans to be used to address these needs, is that positive step. It is in keeping with the best of America's character—the helping hand extended to help one's neighbor. A year spent "giving back" to the community will enhance these young people's sense of citizenship and provide a base for developing future community leaders.

I have long advocated the passage of national voluntary service and introduced comprehensive national service legislation in the 101st and 102d Congresses. My legislation attempted to incorporate the best ideas and programs currently available and use existing service structures. In that respect, I am pleased that H.R. 2010, while creating a new national service corporation, does consolidate other voluntary programs such as ACTION under a single aegis.

While I intend to support passage of H.R. 2010, I believe we could do more to retain the true volunteer nature of the program. Therefore, I plan to support Representative MOLINARI's amendment which would expand the number of service slots available by eliminating stipends during service. Under the Molinari amendment, the slots available would triple from 25,000 to 77,800 participants per year. I've been concerned that in establishing a national service program we will disappoint many potential participants with a program that reaches so few. The Molinari amendment would help address that concern.

In the interest of our country and its future, I urge passage of H.R. 2010.

Mr. ABERCROMBIE. Mr. Chairman, I rise today to express my support for H.R. 2010,

the National Service Trust Act. Not only does this bill encourage young Americans to serve their country by awarding them with education grants, it also responds to the significant contribution made by our senior citizens.

I have received many letters from constituents who volunteer their time as foster grandparents, through what is currently known as the Foster Grandparent Program. They gain great pleasure from their work with small children in need of special attention. Volunteers serve as grandparents to disabled children, drug exposed infants and toddlers, immigrants and many other young people. The Foster Grandparent Program helps children gain self-esteem and self-worth, while at the same time giving volunteers the satisfaction of knowing they can be useful to their community at all stages in their lives. If passed, the Foster Grandparent Program and other older American volunteer programs will be authorized by the National Service Trust Act.

America's seniors have a wealth of knowledge and experience that can make a difference in the lives of young children. Current population estimates indicate 37.7 million Americans, are over the age of 60. According to a 1991 U.S. Administration on Aging/Marriot Senior Living Services voluntarism survey, over 41 percent of these seniors performed some form of volunteer work in the past year. An additional 37.5 percent indicate they would volunteer if asked. The resources offered by older persons can help shape America today and into the next century.

National service benefits people of all ages, all income levels and all educational needs. Through the National Service Act, young people all over America will be building houses for the homeless, teaching in inner city schools, immunizing children and performing other community services in return for education loans. In this time of fiscal constraints, service programs can meet many goals. Volunteers gain a feeling of civic responsibility and usefulness. Citizens in need are able to receive scarce social resources. In addition, exposure to different lifestyles and cultures can be a learning experience for both service providers and recipients.

National service is a valuable American tradition. Let's show our support and commitment by passing the National Service Trust Act.

Mr. FORD of Michigan. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore [Mr. HEFNER] having assumed the chair, Mr. FIELDS of Louisiana, chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2010) to amend the National and Community Service Act of 1990 to establish a Corporation for National Service, enhance opportunities for national service, and provide national service educational awards to persons participating in such service, and for other purposes, had come to no resolution thereon.

GENERAL LEAVE

Mr. FORD of Michigan. Mr. Speaker, in anticipation that we will return to this bill soon, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and include extraneous matter, on H.R. 2010, the National Service Trust Act of 1993, and all amendments thereto.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

PERSONAL EXPLANATION

Mr. PACKARD. Mr. Speaker, had I been present for the following rollcall votes, I would have voted yes on rollcall votes numbered 349, 350, 351, and 352.

I would have voted no on rollcall votes numbered 347 and 348.

ELECTION OF MEMBERS TO CERTAIN STANDING COMMITTEES OF THE HOUSE

Mr. HOYER. Mr. Speaker, I offer a privileged resolution (H. Res. 219) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 219

Resolved, That the following named Members be, and they are hereby, elected to the following standing committees of the House of Representatives:

Committee on Government Operations: Gene Green, Texas and Bart Stupak, Michigan.

Committee on Armed Services: Sam Farr, California.

The resolution was agreed to.

A motion to reconsider was laid on the table.

ALLOCATION OF SPECIAL ORDER TIME

Mr. ROMERO-BARCELÓ. Mr. Speaker, I ask unanimous consent that the special order for the gentleman from Illinois [Mr. LIPINSKI] on July 21, 1993, be allocated to the gentleman from Oregon [Mr. KOPETSKI].

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Puerto Rico?

There was no objection.

□ 1030

CLINTON ECONOMIC PLAN WILL DESTROY JOBS

(Mr. RAMSTAD asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. RAMSTAD. Mr. Speaker, a Stanford University economist recently wrote this commentary entitled, "Clinton's Economic Plan Built on Brazen Lies."

This analysis of the President's economic plan states, "If you strip away the misrepresentations and look at what Clinton's economic program does, from 1993 through 1996 there are no net cuts in Federal spending. None. Zero. Zip. Zilch. Federal spending continues on its merry upward path, increasing an average of \$65 billion every single year."

This economic analysis goes on to say, "The entire thrust of the Clinton deficit reduction program for the next 4 years is to increase taxes."

This article, which I am submitting for the record, shows how taxes will increase \$420 billion a year by 1996 under the President's plan.

The commentary concludes by saying "Unless some courageous Democratic Members of Congress join with Republicans to defeat this job destroying program, America is in for a tough time."

I strongly urge all Members to read this article, written for Scripps Howard News Service, before casting the most critical vote of this Congress.

Mr. Speaker, the text of the article is as follows:

[From the Star Tribune, July 5, 1993]
CLINTON'S ECONOMIC PLAN WAS BUILT ON
BRAZEN LIES

(By Martin Anderson)

PALO ALTO, CALIF.—It's getting close to decision time on President Clinton's economic program. It's the last chance for the American people to take a close look at exactly what is being proposed in terms of spending and tax changes for the next 3½ years.

The New York Times recently reported that in Clinton's economic plan, "no spending would be lowered in this fiscal year" and that "more than three-fifths of the spending cuts . . . would be made in the fiscal years 1997 and 1998, after the end of this presidential term."

Wait a minute. No spending cuts this year? Over 60 percent of the promised spending cuts to take place in Clinton's second term? What kind of nonsense is this? What about all the statements Clinton and his aides are making about matching tax increases with spending cuts?

The answer is troubling. Clinton and his top aides have misrepresented this economic package so much that there is now little relationship between what was promised and what is about to happen.

The nature of the deception is four-fold:

False labeling: The Clinton administration has blatantly mislabeled its proposed budget actions. For example, a substantial tax increase on Social Security benefits for the more well-to-do is called a "spending cut," and a whopping increase in welfare spending for the working poor under the Earned Income Tax Credit is called a "tax cut."

This brazen lying has gone largely undetected. If the spending and tax changes were truthfully labeled the plan would look drastically different.

Omissions: The administration has avoided mention of new spending programs. True, it's planning some cuts, mostly in defense, but these cuts are largely offset by increases elsewhere. The bottom line in any budget is the net change and, when you combine the new spending increases with the proposed cuts, the net spending cuts vanish.

Slick forecasting: Most of the serious spending and tax changes in Clinton's plan

are forecast to occur in 1997 and 1998. Ask yourself, how much confidence do you have in any government official's promise to cut federal spending four or five years from now?

Look at it another way: Clinton promises (once again) to cut spending after we reelect him in 1996. Does he really think we are that stupid? Apparently so.

"Base-line" budgeting: All the proposed budget changes are on top of already-scheduled, large increases in both spending and taxes. One of the best-kept secrets in America is that by 1996, without changing a single law, both federal taxes and federal spending will be \$260 billion a year higher than they are today.

If you strip away the misrepresentations and deceit and look at what Clinton's economic program does, year by year, here is what emerges:

From 1993 through 1996 there are no net cuts in federal spending. None. Zero. Zip. Zilch. Federal spending continues its merry upward path, increasing an average of \$65 billion every single year.

The entire thrust of the Clinton "deficit reduction program for the next four years is to increase taxes. Under his program our net taxes will increase another \$160 billion a year by 1996. When one adds that to the \$260 billion tax increase already in the pipeline, it means that we will be paying \$240 billion a year more in taxes before Clinton serves out his four years.

This is madness. But it is real and, unless some courageous Democratic congressmen and senators join with Republicans to defeat this job-destroying program, America is in for a tough time.

Perhaps the fear of Clinton's program is what has already spooked the economy. During the past few months the American dollar has fallen to new lows against the Japanese yen and, after four straight quarters of moderate-but-positive economic growth, the gross domestic product numbers took a nose dive for the first-quarter of 1993.

Clinton administration economists are already planning to reduce their 1993 economic-growth forecast from 3.1 percent to 2.5 percent. But if their deadly economic plan—big tax increases, no net spending cuts in the next four years—passes, we can forget about even slow economic growth, and begin to brace ourselves for the recession.

□ 1040

CLINTON TAX INCREASE HURTS REAL PEOPLE

(Mr. WELDON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WELDON. Mr. Speaker, if small business is in favor of the Clinton tax plan, where are they? Where are the letters? Where are the small business groups, the NFIB and the Chamber and other groups, asking us to support this package?

Mr. Speaker, another business leader has spoken. In my ongoing effort to highlight the negative effects of the Clinton tax plan on real jobs for real people, I offer today a letter I recently received from William Kronenberg, president of Environmental Compliance Services. ECS is a small company headquartered in Exton, PA, just outside my congressional district.

Mr. Kronenberg discusses the impact on his company of the two major Clinton initiatives—the tax plan and the health care plan, and the impact that will have on small companies that have generous benefit plans for their employees. In the case of ECS, all benefits (including health insurance, prescription drugs, retirement benefits, disability insurance, and life insurance) are completely paid for by the company. But not for long, if Bill Clinton succeeds in bleeding our business community dry with new taxes.

Mr. Kronenberg writes: "The uncertainty regarding the Clinton program may force us to revise our entire benefit program. There is a strong likelihood that *** increased corporate costs will diminish coverage and increase costs to our employees."

My colleagues, remember these words when you vote on the Clinton plan. When you hit our businesses with increased taxes, you drive up the costs of doing business, and you hurt real people.

For the RECORD, I include the letter from Mr. Kronenberg.

Hon. CURT WELDON,
U.S. House of Representatives,
Washington, DC.

DEAR CONGRESSMAN WELDON: I am of the firm belief that the country is long overdue for economic reform. However, as a small business owner in Chester County, I am most concerned about many aspects of the proposed Clinton reform package. I will address just two—the tax bill and health care.

By way of introduction, Environmental Compliance Services, Inc. (ECS) is a unique corporation dedicated to the environment through insurance, consulting and claims management. Our corporate subsidiaries include ECS Underwriting, Inc., Consulting Services Inc. (CSI) and Environmental Claims Administrators, Inc. (ECA).

We were incorporated in 1979 and have seen steady growth in our business, growing from 13 employees in 1979 to over 218 employees today. The majority of our employees reside in Chester County.

We have seen a significant increase in state taxes within the past year. Our neighboring state of New Jersey, recently passed the largest tax increase in history. Unfortunately, both increases have fallen well short of the intent to stimulate economic growth. In Pennsylvania, we have recently experienced a significant reduction in economic growth. Our neighboring residents have been even less fortunate, losing close to 400,000 jobs and experiencing the second highest unemployment rate in the country. The simple fact is economic growth is not stimulated by higher taxes. We need a more effective way of reducing spending, not a continued tax burden placed on the public.

In the best interests of the people of Chester County and the country, I would ask that you vote NO on the Clinton tax bill.

In regard to health care, our company has been an overall leader in compensation packages. We provide an array of benefits to all our employees including: Health Insurance; Retirement Benefits; Prescription Plan; Employee Assistance Plan; Disability Insurance—Short and Long Term; and Life Insurance.

All benefits are company paid.

However, the uncertainties regarding the total Clinton Economic Program may force

us to revise our entire benefit program. There is a strong likelihood that any policy change resulting in increased corporate costs, will diminish coverages and/or increase costs to our employees. This is the most critical issue to our employees!

While health care should be a benefit for all Americans, the Administration's proposals will result in increased burdens on our company and consequently, our employees. In the best interests of the people of Chester County and our country, please carefully review the entire health care package.

Thank you.

Sincerely yours,

WILLIAM KRONENBERG III,
President and CEO.

HOUSE POST OFFICE SCANDAL

The SPEAKER pro tempore. Under the previous order of the House, the gentleman from Indiana [Mr. BURTON] is recognized for 60 minutes.

NOMINATION OF DR. JOYCELYN ELDERS FOR SECRETARY OF HEALTH AND HUMAN SERVICES

Mr. BURTON of Indiana. Mr. Speaker, we have a number of Members that want to speak tonight on the problems we have with the House Post Office. But before we get into that, I thought it would be very enlightening for my colleagues and for anybody else who is paying attention to find out what the nominee for Secretary of Health and Human Services has to say about a lot of issues. I hope everybody in America has an opportunity, Mr. Speaker, to find out her views on a number of these issues.

Here are some of her quotations, and I hope my colleagues pay particular attention to these quotations, because I think they are out of sync with what the American people feel about major issues facing their kids and this country.

The first quotation she uttered was this: "I don't know of any parent who wouldn't go out at midnight and try to find contraceptives to start their children properly." Well, I know one parent that would not go along with that statement.

Second, "We've taught them (teenagers) what to do in the front seat of a car, but not what to do in the back seat of the car." That does not sound like the kind of thing we would want coming out of the mouth of the Secretary of Health and Human Services.

Third, "An integral part of a comprehensive school-based health clinic today is that we have sexuality education beginning in kindergarten." I think there are a lot of parents that would take issue with that.

Fourth, and here is one that is very divisive in America, but I think a lot of Americans would disagree with this statement: "Abortion has had an important, and positive, public health benefit."

Fifth, "Abortion was the single most important factor in the significant decrease in neonatal mortality between 1964 and 1977." That is probably true

because there were a lot of fetuses terminated.

Sixth, "We would like for the right-to-life and anti-Choice groups to really get over their love affair with the fetus and start supporting the children."

Seventh, "Look who's fighting the pro-Choice movement: a celibate, male-dominated church." Well, I want Members to know that there are a lot of women in a lot of these churches that are concerned about these issues as well, not just celibate male-dominated churches.

Eighth, "I would hope that we would provide them (prostitutes) Norplant so they could still use sex if they must buy their drugs." Good Lord.

Ninth, "If Medicaid does not pay for abortions, does not pay for family planning, but pays for prenatal care and delivery, that's saying: I'll pay for you to have another good, healthy slave."

Tenth, "Poverty and ignorance and the Bible-belt mentality are responsible for the rise in teen pregnancy in Arkansas."

Well, I think a lot of those statements are just ridiculous, am I am very sorry that this lady has been nominated for this position. I hope my colleagues on the other side of the Chamber and in the other body will take a look at that.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The gentleman is reminded that Members of the House are not to urge the Members of the other body to speak or speak with respect to their actions.

Mr. BURTON of Indiana. All right, Mr. Speaker. I hope my colleagues will use their influence to convince those making decisions to take a hard look at this lady. She used this philosophy as the Secretary of Health and Human Services in Arkansas, and her success was not all that great, because it went from No. 4 in the Nation as far as teenage pregnancies are concerned to No. 2. So her philosophy was not all that effective.

Mr. Speaker, I would like to add for the RECORD a number of documentations for these statements that I just made.

[The documentations referred to follow:]

SOURCES

1. Arkansas Gazette, 3 July 1988.
2. Video presentation to National Commission on Children, 2 April 1993.
3. Arkansas Gazette, 3 July 1988.
4. Testimony before Senate: Labor and Human Resources Committee, 23 May 1990.
5. Idem.
6. Arkansas Gazette, 19 January 1992.
7. Statement to abortion rights rally, January 1992.
8. "Talk Live," CNBC television program, 19 June 1993.
9. Washington Post, 16 February 1993.
10. National Review, 25 April 1993.

There are other questions about Joycelyn Elders that need to be reviewed before any confirmation takes place.

For instance, first, why did Elders not pay Social Security taxes on the \$12,000 a year paid to a nurse for her mother-in-law who has Alzheimer's disease?

Second, did she get a six-figure unsecured line of credit from a bank of which she was a director? That needs to be looked into.

Third, did the bank of which she was a director transfer money to an Illinois savings and loan which later failed so that a friend with a bad credit rating could get a loan? That should be looked into.

Fourth, was she reprimanded by the Comptroller of the Currency, and if she was, why?

Fifth, what are the terms of the settlement of the civil suit between the new board of directors and the ousted board of which Elders was a member? We are talking about that savings and loan now.

Sixth, what Federal and State laws were broken when Elders was being paid as a consultant to the Federal Government, plus per diem, while still on the State payroll? That is double dipping. That is something that ought to be looked into.

Seventh, how was Elders able to receive an annual salary in excess of the salary cap imposed by statute on employees of the State of Arkansas? That needs to be asked.

There may be a lot of satisfactory answers to these questions, Mr. Speaker. But I submit for the RECORD that they ought to be answered, and I urge my friends and colleagues to take a close look at this, and I urge my colleagues in this body to talk to their friends.

With that, let me just say that one of the big issues that America is looking at today that has been in the works for about a year now is what is called the post office scandal. That was about a year ago July that this issue was raised whether or not some Members of this body received money in exchange for stamps and used that money for purposes not clear or authorized by the Congress of the United States. In other words, these stamps were supposed to be used, and they were converted to money, and there was a question about whether or not there were some illegal problems.

This was brought up. The investigation was stopped. The Speaker of the House put this on the back burner, as we understand it, and it was literally swept under the rug.

Now here we are a year later, and we are finding out that one of the key people in this issue and in this case has been indicted and has named two Members of this body, a Congressman A and a Congressman B, as two people who were involved in taking these stamps and money illegally.

This matter should be cleared up for everybody in this country. I think the

American people hold Congress in very low esteem right now, and if we are going to make sure that Congress is respected, as it should be by the people of this country, then this issue should be brought out into the open. There should not be anything swept under the rug, and it should be done as quickly and as expeditiously as possible.

Tonight, toward that end, a number of my colleagues have joined with me in a special order to try to eliminate this issue and force those in power here in the House of Representatives to bring this issue to the floor so that it can be debated, cleared up, and the American people can know for sure what went on.

Mr. Speaker, with that, I yield to my very distinguished colleague, the gentleman from California [Mr. DOOLITTLE].

Mr. DOOLITTLE. Mr. Speaker, I thank the gentleman for giving us this opportunity to discuss this very important issue during this special order.

I knew things were bad in the House of Representatives before I ever got here in 1991. But I had no idea that the type of things that occurred in the House Bank was actually going on, and I certainly had no idea that the types of things alleged and now some of them are proven in the House post office occurred. I mean, the depth of corruption is far greater than I ever realized.

□ 1800

The leadership that leads this institution has been part of the same party that has governed it now for over 40 years.

Today in the Washington Times, the Postmaster, former Postmaster, Mr. Rota, who resigned and has now pled guilty to several criminal counts—aiding and abetting, embezzlement and conspiracy to commit embezzlement amongst them—indicated this abuse of Government moneys has gone on for over 20 years. You know, you read in the reports that did come out in the special task force last year about this time, and you learn about employees, the patronage employees, that were inserted into the House post office, the people who were illiterate, the good people working there watched as these other people were brought in and promoted, you know, to do jobs over them.

So much for fairness, so much for justice, so much for compassion for people. The Members of the other party always are so vocal about proclaiming that here, and now to hear what has gone on, Congressman "A" and Congressman "B", you know, while these people, the Members of the majority party, are at this moment busily planning to force down our throats the biggest tax increase in history, some of these very same people stole from the Government and did not even pay taxes on it. So it was like an extra amount they got. It is outrageous.

The standard response of the House leadership is to drag its feet, to not want to go into it, to say, "All is well, we have taken care of it."

I wrote, along with several others last March, asking for a criminal investigation into this, and fortunately one has commenced. I just think this brings a tremendous disrepute upon the House of Representatives. It is time to clear the air.

I would like to know what has gone on. I am very concerned about the allegations concerning Mrs. Foley, the allegations concerning the man who was the General Counsel, Mr. Ross, of the House of Representatives. We need full disclosure. We do not want any sanitized reports. We want the raw, unedited versions.

It is my understanding, for example, it is reported in the Washington Times on February 7, 1992, that Rota has told friends and House officials that Mrs. Foley ordered him to hush up an investigation of the post office, according to a Federal law enforcement congressional official.

I would like to know what is contained in the deposition from Mrs. Foley, and I would like to know what is contained in other depositions, as reported on June 19, 1991, or this is the event that occurred, but it was reported in the Washington Times on February 20, 1992, that then Capitol Hill Police Chief Kerrigan secretly tape-recorded meetings with Steven Ross, the House general counsel, to prove that he had independent corroboration that he, meaning Kerrigan, had been told not to pursue the inquiry into the post office scandal.

It just should be noted for the record that in July 1991 Chief Kerrigan resigned, and he noted the reason for his resignation as being the pressure to get the Capitol Police off the post office investigation.

We need some answers to this. This is not just Congressman "A" or Congressman "B." This is higher up. We need some answers and some clarifications, I think, that can only be brought out by the full disclosure of these records, all of which have been sitting in the hands of the Justice Department for over a year, as I understand it.

Mr. BURTON of Indiana. Mr. Speaker, I will be happy to yield to my colleague in just one moment.

We had the check scandal, and I remember when the check scandal came out, we tried to sweep that under the rug, the majority in the House of Representatives, and months went by, and the media started digging, and before you knew it, it all came out, and the same thing is going to happen with this post office scandal. It is going to come out, and every day that goes by that the leadership in this House continues to drag its feet and try to sweep this under the rug makes it that much worse.

And the media is going to continue to dig and dig and dig and dig, and so I would just like to say to my colleagues, let us make a clean breast of it. Let us bring it to the floor for a discussion. Let us get all the records out so that we and the American people that we represent know what went on.

Mr. OBEY. Mr. Speaker, will the gentleman yield?

Mr. BURTON of Indiana. I am happy to yield to the gentleman from Wisconsin.

Mr. OBEY. Let me stipulate, and I appreciate the gentleman yielding, let me stipulate that I know virtually nothing about the situation at hand.

But I also think that we ought to be extremely cautious before we throw people's names around on the floor, especially Members who do not have the ability, or persons who do not have the ability to defend themselves on the floor because they do not have access to the debate on the floor.

But it seems to me that, in light of the fact that the U.S. attorney handling the case has sent a letter to the bipartisan leadership of both Houses objecting to any possible release of any material because it might prejudice their prosecution, it seems to me, in light of that statement, that Members ought to be a mite cautious before they attack persons who serve on staffs around here or persons who are the spouses of Members but who do not have the opportunity to defend themselves because they do not have access to the floor.

I would point out that the attorney who wrote this, my understanding is, and I have a copy of the letter to Mr. FOLEY and Mr. MICHEL from the U.S. Department of Justice from J. Ramsey Johnson, U.S. attorney. My understanding is that that is the attorney who was left in charge after Mr. Stephens left the case that you are talking about. My understanding is that he is a career holdover, not a political appointee, and it seems to me that the House, before we allow character assassination on this floor, the House has an obligation to the truth and an obligation to due process of law to heed what the U.S. attorney says.

Now, I do not know whether the House ought to follow the U.S. attorney's suggestions or not, but I think that before we decide that we ought to depart from it, we have an obligation to listen to what that U.S. attorney has to say.

I do not think we want to be guilty of obstructing justice by disregarding what the attorney says just as we did in the Iran/Contra case and fouled up the entire investigation.

Mr. BURTON of Indiana. Reclaiming my time, Mr. Speaker, I just wanted to say to the gentleman that the Members of this body would not be nearly as concerned had this not been swept under the rug 1 year ago, and time goes

on and on. It is the same, and it is very analogous to the check scandal which they tried to sweep under the rug, and we go back to our districts, and we listen to our constituents. They say, "What in the world is going on? Is there anybody up there that is honest?"

And so I think we have an obligation. Mr. OBEY.

Mr. BURTON of Indiana. I did not yield; I did not yield. I do not yield.

The SPEAKER pro tempore (Mr. FINGERHUT). The gentleman from Indiana [Mr. BURTON] has the floor.

Mr. BURTON of Indiana. Nobody that I have heard tonight has assassinated anybody's character. They said there were some alleged things that went on, and they have been alleged for over a year now. All I say to my colleagues is: Let us make a clean breast of it. Let us bring the facts before the House and not impede justice. Help the district attorney or the U.S. district attorney that is involved in this case get all the facts he can so he can expedite this case as quickly as possible.

Mr. TAYLOR of North Carolina. Mr. Speaker, will the gentleman yield?

Mr. BURTON of Indiana. I am happy to yield to the gentleman from North Carolina.

Mr. TAYLOR of North Carolina. I would like a clarification. Was the gentleman, when he referred to the letter from the Justice Department, was that coming from the U.S. attorney that was recently fired by the administration or from the acting U.S. attorney or from just someone else?

Mr. BURTON of Indiana. It was from the new attorney.

Mr. OBEY. No; No.

Mr. BURTON of Indiana. It was from the old one that was fired?

Mr. OBEY. No; no. He was from the holdover who was Mr. Stephens' assistant, as I understand it.

Mr. BURTON of Indiana. Mr. Stephens was removed.

Mr. OBEY. That is correct.

Mr. BURTON of Indiana. Why was Mr. Stephens removed?

Mr. OBEY. It is from the gentleman in charge. He is not new. He has been on the case from the beginning, as I understand it.

Mr. BURTON of Indiana. Why was Mr. Stephens removed?

Mr. OBEY. As the gentleman knows, all U.S. attorneys were removed and replaced as is routinely the case whenever any President comes into office.

Mr. BURTON of Indiana. Many of us feel that was very convenient.

Mr. OBEY. That is an innuendo which is not suitable to the proper conduct of this House.

Mr. DOOLITTLE. If the gentleman will yield, there is a specific point I want to respond to.

The firing of those U.S. attorneys was not routine. It had never been done before in such a fashion. And to stand

here on the floor and to represent that was routine is a misstatement. It was completely out of the ordinary.

Mr. OBEY.

Mr. CUNNINGHAM. Mr. Speaker, I ask for regular order or to have the gentleman removed.

Mr. BURTON of Indiana. This gentleman keeps interfering. I yielded to him once. I have control of the time, as I understand it.

The SPEAKER pro tempore. The gentleman from Indiana [Mr. BURTON] has control of the time.

Mr. BURTON of Indiana. I am happy to yield to my colleague, the gentleman from California [Mr. CUNNINGHAM].

Mr. CUNNINGHAM. I thank the gentleman for yielding.

Our freshman class, when we first came aboard in 1991, looked into the bank scandal and brought it forward, and we were put off time after time. The Speaker told us that there was nothing to warrant an investigation, there was no wrongdoing, that there was no need for disclosure, and this went on and on and on. The frustration of trying to bring this out is *deja vu* with the post office deal.

Again, the freshman class, along with the Gang of Seven, pressed the issue on the post office, an investigation.

□ 1810

And in that investigation, the reason that it was alleged, and I will say that a Member, Member A, and Member B, had taken campaign dollars, converted them into stamps. Now, if they were going to use those stamps to mail out letters to their constituents, that would be normal. But the allegation is those Members were taking and cashing back in those stamps in and taking those dollars and putting it in their pocket.

That is illegal.

Based on that, we have called for an investigation. This is going on for a year and a half.

We have again, just like the bank scandal, we have been told that there is no merit, no need for an investigation, and I think the important factor tonight, not looking at any individuals, but there is a joint committee formed, and the freshman class is part of it. The new freshmen class is bringing forth a lot of initiatives, just like our freshman class did.

I think it is important that all Members on both sides of the aisle take a look, that in the administration of this Congress, that we take a look at such things as the administration of a bank which is gone now, the post office, because we all suffer when there is an irregularity even though we have not had any say. The number of committees, there is a Sunshine Act that allows openness in the committees so that everyone can participate and see. And also that Members of Congress fall

under the same laws that anyone in the general public does. And it has been argued that that is the case, but it is not the case and we all know that.

I would ask Members from both sides of the aisle to take a look at the importance of this post office scandal and the fact that we really do need reform. As our own President has said, we need change.

The other side of the aisle has resisted any change that gives up power. But in this case the balance of power needs to be adjusted so that this House is covered and the responsibility of the administration is also covered. We need to run Congress more like business. And to do that, on your board you need Members from both the majority and minority to come up with working solutions.

If we were in business, we would sit down, regardless of what our differences are, on how to press forward, and to do our business better. That is what the American people are asking these Members to do, on both sides of the aisle.

I laud my fellow freshmen and sophomores for taking this under tow.

I would just ask that the upcoming initiatives of the joint committee that both houses, Senate and House, take a serious look at it and make real campaign and reform changes.

Mr. BURTON of Indiana. I thank the gentleman for his contribution, and I yield to my good friend, the gentleman from the Fourth District of Georgia.

Mr. LINDER. I would like to respond to the gentleman from Wisconsin [Mr. OBEY] who has taken leave of the floor. I would like to respond about the letter from the attorney. We have seen the letter. They are saying any release of this information may jeopardize some criminal investigation.

Well, we received that letter, although I was not here then, in September of last year, when the Ethics Committee sought this same information to pursue their investigation. The attorney at the time said any release of this information would bother and interrupt an investigation and possible conviction.

It is getting to the point where you wonder if a year is enough time to do it. The attorney who was fired said he was about ready to indict at the time he was fired. There are some important people involved. If this is called obstructing justice, telling the people what is going on in the people's House, I would be willing to sacrifice a conviction to get the truth out. The important thing is we have had it for a year, and if they cannot do it in a year, they cannot do it.

Point No. 2, the Speaker of the House has related to the minority leadership that he would be willing to release this information in 10 legislative days and to introduce a privileged resolution doing this in 10 legislative days unless

the Attorney General, Ms. Reno, determines, herself, that such release would be damaging to an investigation. In other words, he is saying that as soon as we get through the August recess and as soon as we get the reconciliation bill out of the way, he would be able and willing to release this damaging information.

That is the part of this issue that bothers me. There are some people, we do not know who A and B are—I know what the newspapers speculate, and I promise you I am not A and I am not B. But my constituents do not know that. I would like that information to be released so they would know who A and B are. So, if A and B are playing—or maybe C, D, and E, because we do not know how broad this is. They kept a lid on it. But if this information released and we discovered important figures have played a prominent role in influencing the largest tax increase in American history, the American people ought to know that. This information ought to be public.

We can only help people, we could only help all of Americans to understand and all Members to be free of suspicion if we release the facts and let the American people judge for themselves.

This is not a new story. As the gentleman from California [Mr. DOOLITTLE] said, rumors are it has been going on for 20 years. The rumors are now that it is much broader and much deeper, and we are not talking about \$15,000 or \$20,000 or \$30,000, but vast sums of money.

The point must be made that it is in the public's interest to determine who is making important policy in this historic time of the largest tax increase in history and under what kind of cloud might they be operating.

All we are asking is that this body vote to release the information.

That vote will be held tomorrow. There will be a privileged resolution put forward tomorrow. The vote will be held. We will find out if it is a straight party-line vote to obstruct, to hide, to confuse again, or if indeed we are going to get the truth.

Mr. BURTON of Indiana. I would be happy to yield to my other colleagues in just a second, but I want to read a couple of quotes that I think are extremely important. I thank the gentleman from California for giving me this information.

Now, this was July 22, 1992. Representative ROSE, democrat of North Carolina, chairman of the Committee on House Administration, in charge of this investigation: "There is no credible evidence to back up allegations of wrongdoing against any individual." Here we are a year later and we have one of the leading people in this case has been indicted and confessed.

Second, "Recent press reports based entirely on rumor, innuendo, and anon-

ymous sources are totally wrong and without foundation." That was another Member, a leading Member of this body.

Third, "I have the fullest confidence and faith in the committee that has been given this responsibility in the House, the Committee on House Administration, to find out the truth of falsity of the charges, to get to the bottom of them." This is February 5, 1992. They did not get to the bottom of them. Now someone has been indicted and confessed.

Fourth, "If at the end of this process the gentleman from North Carolina, Mr. ROSE, my chairman, has not done his job, then you can come back here any tell us and show us where we failed." Well, we are doing that tonight.

Now, that was in February 1992.

Fifth, "As a matter of fact, the majority conclusion is that there was not credible evidence that any Member of the House of Representatives violated any rule of the House or any laws of the United States."

Well, that has been stated otherwise by an indicted coconspirator who has confessed.

And finally, this is from a Republican on the committee: "This report is in no way complete as to what happened in the House post office. It is our best effort under very difficult circumstances. The investigation should continue." That was said on July 22, 1992. And they swept it under the rug and cut it off.

That is why tonight we are urging our colleagues to do the right thing and get this thing out for everybody to see so that all of our colleagues know the facts.

Mr. Speaker, I yield to the gentleman from Ohio.

Mr. BOEHNER. Mr. Speaker, I point out that a year ago today the report from the task force was released. When we saw that report, the majority report was about this thick; the minority report was about yay thick. The fact is the report basically said, from the majority standpoint, "We have done nothing wrong, and we won't do it again." That is basically what they said.

Now, 1 year later, after eight people have pled guilty to various charges, from embezzlement to conspiracy to selling cocaine in the House post office, we know that there were serious problems there. For the chairman of the House Administration Committee to make the statements that he did a year ago that we found nothing wrong, we found no illegal behavior or improper behavior, is something that I find somewhat enterprising.

□ 1820

But today a number of us sent a letter to the Speaker of the House demanding that that information that was developed during that task force be

released. We want all the documents, the testimony and the working papers to be released so the American people can see for themselves and judge for themselves the conduct of the Members of Congress, members of the staff, and the way in which this operation in the House post office was operated.

Now, in my opinion, I do not think the House can endure another episode like the House bank. It is the congressional version of the Chinese water torture—drip, drip, drip, a little information, a little more information, more pressure, a little more information, an issue that could have been dealt with in a matter of a week or 2 weeks was dragged out over 9 months because the Democrat leadership in this House was not willing to lay all the cards on the table. They were not willing to lay in front of the American people the truth, the whole truth.

If we do not deal forthrightly with this problem in the post office, we are going to have the same thing.

The problem in the post office started in April 1991, almost 2½ years ago, when the Democrat leadership in this institution found out that there were serious problems in the post office.

We were not informed of it until almost the end of January 1992, when the story broke in the Washington Times. At that time we asked for the information to be laid out before us.

Now, although there is a criminal investigation that is going on, and rightfully should, we as Members of this institution have a responsibility to ourselves, to this institution, and to the American people to also know what happened, to do our own investigation.

There is going to be a lot of activity that took place that may not constitute criminal behavior, activity that prosecutors may not be able to build a hard, fast, criminal case, that Members of this institution ought to be investigating, that we ought to be pursuing in order to save and rebuild the integrity and the reputation of this Congress.

For 40 years we have had one-party control and of the last 2½ years that I have been here, I think there has been everything under the book, Congress basher, trying to cause a rebellion, and the fact is all I am trying to do is bring the truth before the American people.

It is not just me. It is the leadership of this Congress that has allowed this type of activity to go on all this time.

Since 1978, when the Justice Department was first brought in to look at problems in the House post office, and they were covered up, they were lied to and the investigation never happened, we have known there is a problem there.

The leadership of this Congress has allowed this to happen and allowed the reputation of us in this institution to be impugned.

I, as one Member of this institution, do not appreciate it, nor do I believe

that I am going to stand around here and willy-nilly wait until they get ready to lay all the facts out to the American people.

It is up to us as Members of this institution to be forthright with the people who sent us here, and the sooner we do that, the better off we are going to be.

It is a crime that those who are responsible for allowing this to happen to this institution are not being held accountable for what they have done or what they have failed to do.

Mr. BURTON of Indiana. Mr. Speaker, my colleague, the gentleman from Pennsylvania, does not have much time. Let me yield to him briefly, and then I would like to get all my colleagues who are down here involved.

Mr. Speaker, I am happy to yield to the gentleman from Pennsylvania [Mr. WALKER].

Mr. WALKER. Mr. Speaker, I thank the gentleman for yielding to me.

I just wanted to put this into some kind of historical perspective, because I was the one who carried the resolution on the floor a year ago basically today, suggesting that the House did have an obligation to come forward with all the material related to the investigation.

As was mentioned, when the investigation was finished at the House post office last year it became clear that what we were getting was a sanitized version of that investigation, that certain information that was available to the committee was not made available to the House. So therefore at that time we asked that the whole of the information be presented.

The reason now becomes clear for presenting us with all the information. With the recent conviction of a former officer of the House, we now understand that there was a widespread problem in the House post office. It may involve, as the recent documentation indicates, several Members of Congress.

What we do know is that this is something that has gone on for 20 years. Again, according to the House Postmaster who is now convicted, it is something of which there was an investigation some 15 years ago in which people perjured themselves in order not to have that investigation go forward.

We now know that in the House investigation that did take place last year, that perjury took place in the course of that investigation as well.

There has been a long-term effort to cover up House post office problems.

Now we have the obligation, it seems to me, to move beyond the coverup. We now know that there is institutional corruption in the House. What we cannot permit to go on is the coverup.

Now, there are going to be all kinds of gimmicks used to try to continue the coverup, and we are going to end up with a wide variety of explanations as

to why the House cannot release to the public that which the House already has in its possession.

We do have now the understanding that when the House voted 1 year ago this month not to move ahead with disclosure, they were in fact voting for coverup at that point.

Now, 223 Members on July 23 voted to cover up this matter last year, and we now know why. They knew at that point that they had a serious problem. They knew that this serious problem goes to the very heart of the institution, because it goes to the question of officers of the House who they voted for, and it goes to many of the questions that have always been on the back burner with regard to the House post office, of who knew what, when did they know it, and why was there an effort to keep the Capitol Police from investigating thoroughly, to keep the investigation contained within the House Administration Committee, not to have any kind of public testimony.

Remember when Republicans first asked for this investigation to take place, we wanted to have public testimony. We wanted to run this just like other investigations that are held on the Hill, where people were called in, were sworn in public testimony, and where there were actual hearings held. That we were denied. All of it went behind closed doors, and then the final report, the sanitized final report, that is what the American people have gotten up until now.

We are now having it suggested to us that that was good enough, that we can do no more and that somehow we are better off not knowing how the corruption in the House had taken place.

Let me say, the gentleman wants to refer to the letter from the U.S. attorney. I have the letter as well. I think there is a question about this letter.

No. 1, there is a question of whether or not this letter came as a result of a call from the Attorney General to the Speaker, whether or not this letter—

Mr. OBEY. Mr. Speaker, has the gentleman asked the U.S. attorney?

Mr. BURTON of Indiana. Mr. Speaker, I have the time. I am not yielding to the gentleman.

Mr. WALKER. I think there are questions about whether or not this letter is an attempt to prevent an investigation.

Mr. OBEY.

The SPEAKER pro tempore (Mr. FINGERHUT). The gentleman from Indiana has the time.

Mr. WALKER. The gentleman knows the rules of the House.

Mr. OBEY. Yes, I do.

Mr. WALKER. If the gentleman from Indiana will yield to the gentleman, the gentleman is not obeying the rules of the House.

Mr. OBEY.

The SPEAKER pro tempore. The gentleman from Indiana controls the time

and has yielded to the gentleman from Pennsylvania.

Mr. BURTON of Indiana. Mr. Speaker, may I make an inquiry? We have been interrupted several times. This is taking away from our time. I hope that the Chair will be fair in allocating the time, because we have had to endure this now for about the last 10 minutes.

The SPEAKER pro tempore. The Chair will endeavor to be fair.

Mr. BURTON of Indiana. Mr. Speaker, I yield to the gentleman from Pennsylvania.

Mr. WALKER. Mr. Speaker, I thank the gentleman for yielding to me.

So what we know is that we have a Democratic administration which is evidently attempting to cooperate with the Democrats in the House to attempt to see to it that Members do not receive this information.

Mr. OBEY.

The SPEAKER pro tempore. The gentleman from Indiana has yielded to the gentleman from Pennsylvania, who controls the floor.

□ 1830

Mr. WALKER. The gentleman from Wisconsin [Mr. OBEY] of course does not want to listen to the points being made here because the gentleman from Wisconsin was one of those who voted last year to table the resolution attempting to make—

Mr. OBEY.

The SPEAKER pro tempore (Mr. FINGERHUT). The gentleman from Wisconsin [Mr. OBEY] has not been yielded time, has not been recognized.

Mr. WALKER. I make the point again that the gentleman from Wisconsin was one who tabled the resolution that was aiming to bring this matter to the public and voted in favor of the sanitized version that came out of the Committee on House Administration.

That is exactly what the American people cannot afford to have happen here. We are tired of the coverup. The American people are tired of the coverup, and that is what we have had consistently. They attempted to cover up the House bank scandal. Only through resolution were we able to bring the bank scandal to the floor. They attempted to cover up the House post office scandal, and now we are attempting to bring that to the floor, and these gentlemen are going to use every trick in the book, including disobeying the rules of the House, to try to keep that from happening.

They do not want this process to move forward here because they know they have got a problem. They have run this House for 40 years, and the House is now being showed for the corruption that it has at its base level, and we need to have now a real public disclosure of what is happening.

Mr. BURTON of Indiana. Mr. Speaker, I thank the gentleman from Pennsylvania [Mr. WALKER] for his comments.

Mr. OBEY. Mr. Speaker, will the gentleman yield?

Mr. WALKER. Mr. Speaker, this gentleman from Pennsylvania does not control the time. The gentleman from Wisconsin knows that.

Mr. BURTON of Indiana. Mr. Speaker, I will be happy to yield to my colleagues on that side of the aisle after I yield to these gentlemen. They have been waiting for some time, so just give me a little bit of time.

Mr. Speaker, I am happy to yield to my colleague from California.

Mr. BAKER of California. Mr. Speaker, if I might ask the gentleman from Pennsylvania [Mr. WALKER] a question?

Mr. WALKER. Sure.

Mr. BAKER of California. I am new here and do not have the historical background, but the officer of this House that recently admitted wrongdoing was also admitting to conspiracy. Do we have the information as to who he conspired with?

Mr. WALKER. Well, if the gentleman will yield to me, I do not know that we have that information specifically. It is my understanding that in the testimony that was presented to the Committee on House Administration there may have been an indication of people who he talked to in the course of sorting through what was a problem. Whether or not that was conspiracy we do not know until we have the materials. The only people in the possession of those materials at the present time are the Democrats. They would like to keep them in their own possession. We would like to have them give those materials to the public and to all of us so that we can assess whether or not there—

Mr. OBEY. Mr. Speaker, will the gentleman yield on that point?

Mr. BAKER of California. The plea that he copped to was conspiracy. Can he conspire with himself?

The point I am trying to make is the freshman class is interested in this not as an exercise in good government, but as a mechanism to clear our names.

Mr. Speaker, the last election was rather spirited over whether this House was going to be in high esteem held by the public or whether it was going to continue to be rocked by scandal. The important point of the press conferences today and this 1-hour colloquy is: Are we going to get to the bottom of this and get behind it?

And we can pass all the resolutions in the world, but we cannot come out with the information that we say these various Members of the House are guilty of no wrongdoing and should be excused from any wrongdoing, and I think we owe it to this House to get to the bottom of it, and the gentleman asked—we asked the Attorney General—should we ask the Attorney General that fired all the prosecutors in the middle of this investigation, or should we move on as a House to clear

our names? And I think, when the gentleman, former officer of this House, admitted wrongdoing and admitted conspiracy, there are several questions that need to be answered.

Mr. BURTON of Indiana. I thank the gentleman from California [Mr. BAKER] for his contribution.

I yield to the gentleman from Oklahoma.

Mr. ISTOOK. Mr. Speaker, as the gentleman from California [Mr. BAKER] was mentioning, as freshman Members of Congress certainly we are in a position where, as so many others, we campaigned on reform platforms, and it is so important to us, and I know it is important to the gentleman, it is important to people all across the country, that the concept of reforming and cleaning things up not be something that surfaces only during a political campaign. The true test of reform is what you did about it when there was no campaigning going on. Well, there is no campaign going on right now, and yet there seems to be a great amount of difficulty in getting information out in the open.

Now, in listening to the gentleman and to other people who have been here who were here last year during the investigations, I have understood some things that I would like the gentleman's feedback upon. Certainly there was an inquiry. Part of the information from that was made public; a great amount of it was not made public. There are interviews, as I understand. There are tape recordings, I understand. There are transcripts, all of these things, and that information is known, as I understand it, is known to a select few in the leadership of this Congress.

So, the information that has been made available is being held, held away from public scrutiny, tells who did something and who did not do something, and certainly a person in a leadership position has the power of rewards and punishments, and someone with information has the power to seek rewards or to seek punishments.

Now, does the gentleman have a fear that there might be, especially when we have volatile political issues such as a giant tax bill on the agenda, that some people are in essence susceptible to political blackmail because some people have information, they can use that, they can try to cover it up, they can try to bring it out according to whether they are achieving the political results they want? Do we have a danger there?

Mr. BURTON of Indiana. First of all, Mr. Speaker, I would hope that is not the case.

Mr. ISTOOK. I would hope not, too.

Mr. BURTON of Indiana. But the thing is the American people have to wonder about issues like that, and that is why it is extremely important that both Democrats and Republicans work

together to bring this to light to clear up this mess before it becomes another stain on the House of Representatives.

I yield to my colleague.

Mr. HOEKSTRA. Mr. Speaker, I am afraid that it is already becoming a stain, again being a freshman Congressman, coming to this House and really wanting to restore integrity and honor back to this House of Representatives, an institution that only 19 percent of the American people now believe is doing a good job. The stain is already there because, as I look at the chronology of events, it started back on April 26, 1991, and here we are, more than 2 years later, starting to debate whether we will have full disclosure.

Would the gentleman from Indiana [Mr. BURTON] respond to a question from a freshman?

Mr. BURTON of Indiana. Of course.

Mr. HOEKSTRA. What is the rationale in terms of delaying for this length of time such a serious problem and hiding it from the American people?

Mr. BURTON of Indiana. There is no rationale for that other than there is a lot of concern that some very important people may be hurt, and the gentleman from Kansas [Mr. ROBERTS], who is one of the people on the investigative committee of the Committee on House Administration said, and I quote, "This report is in no way complete as to what happened in the House Post Office," and I go on to quote: "The investigation should continue." That was July 22, 1992. Nevertheless, Mr. Speaker, there was a vote taken, and it was stopped, and, when it was stopped, I think it did a disservice to this House.

Mr. HOEKSTRA. As we start moving forward, I cannot help but emphasize the importance of the Members of this House to push for reform, to push for full disclosure, because how can we deal with any of the tough issues with these clouds continually hanging over us? We have absolutely no credibility, and, before we address the issues, we need to restore full credibility and integrity to this House.

Mr. Speaker, I thank my colleague, the gentleman from Indiana [Mr. BURTON] for having yielded to me.

Mr. BURTON of Indiana. Mr. Speaker, I yield to my colleague.

Mr. SWIFT. Mr. Speaker, I thank the gentleman from Indiana [Mr. BURTON] for yielding to me, and I want to say what I am about to say very calmly because most of what I have heard on the floor is extremely disturbing because it is so outrageous.

The charge here is of coverup. What I think people need to understand is that all of the materials that are under discussion here are in the hands of the House committee on ethics, and they are in the hands of the U.S. attorney. More importantly, the information in question was developed in a bipartisan task force in which I served with three Republicans and three Democrats.

□ 1840

We not only had access to material, all of us, Republicans and Democrats alike, we developed it, Republicans and Democrats alike.

Now, for this to be a coverup one has to assume that those Republicans are also on the coverup, which is ludicrous on its face. One also has to assume that all of the Republicans on the Ethics Committee who have this information available to them are involved in a coverup, which is also ludicrous on its face. But the fact that Republicans were there every minute of the time that this information was developed, that Republicans know everything that is in this material, on its face suggests that the charge that there is any Democratic coverup is also ludicrous on its face. There is no coverup.

Mr. BURTON of Indiana. If I might reclaim my time, I would be glad to yield back to my colleague, but as I just quoted, the gentleman from Kansas said that was in no way a complete report and the investigation should continue, and he was one of the principals involved.

Mr. WALKER. Mr. Speaker, if the gentleman will yield further, it is also important to recognize that the Republicans issued a separate report as a part of that, because they felt as though the Democrats' report was incomplete, was sanitized, and at the time said that there were materials being held that were not released. That is the reason why we came to the floor with a resolution within a couple of days after that asking for all of the materials to be released, a resolution that the Democrats overwhelmingly voted against, because they did not want that to come out.

That is the coverup we are talking about, the unwillingness of the Democrats to put on the record all of the materials that were before that task force.

Mr. SWIFT. But, if the gentleman will yield, he makes exactly the point. The Republicans offered a separate report. There was no compromise between the Democrats and the Republicans. They offered a separate report which was made available, and they could put in it anything they wanted.

If the Republicans failed to put in deep, dark secrets that are being charged as a coverup, then they covered up, and it is ludicrous to believe that they did that. That leads one in the inevitable logic to conclude that the charge that the Democrats are covering up is also equally ludicrous.

Mr. BURTON of Indiana. Mr. Speaker, reclaiming my time, let me just say there were a large number of us on this side of the aisle that felt that the investigation was chopped off before any real conclusion could be reached, and the gentleman from Kansas [Mr. ROBERTS] said that very clearly, the investigation should continue. But they

brought it to a conclusion, had a vote, and tried to get it under the rug as quickly as possible because they were very concerned about who might be hurt by this.

Mr. WALKER. Mr. Speaker, if the gentleman will yield, the point being that every one of those Members who the gentleman refers to on the Republican side voted to release all of the materials. They felt as though it was important to have all of the materials on the record. The gentleman suggests that that does not involve a coverup. The fact is the Democrats did not want all the materials put on the public record, and do not today. They are attempting right now to keep those materials from going on the public record.

Mr. SWIFT. Would the gentleman care if any of us told you why we do not want them released?

Mr. BURTON of Indiana. Mr. Speaker, reclaiming my time, let me briefly yield to the gentleman from Wisconsin [Mr. OBEY]. I want to have some comity with the gentleman before the session is over.

Mr. OBEY. I would just like to ask in light of the comments made previously about the prosecutor, is anyone here tonight alleging that the present U.S. prosecutor or the past U.S. prosecutor have been derelict in their duty in any way in asking this House not to release this information? Are you alleging dereliction of duty on the part of the U.S. prosecutor?

Mr. WALKER. If the gentleman will yield, I do know the U.S. prosecutor was on television last night, the former U.S. prosecutor, the one fired when he was about to have the indictment, and indicated he thought there were real problems in this whole process, and that he was prepared to go with the indictment but he ended up getting fired first. So now we have the new acting U.S. attorney telling us we should not proceed further.

Mr. BURTON of Indiana. Mr. Speaker, let me reclaim my time.

Mr. OBEY. So you will not answer my question.

Mr. BURTON of Indiana. Let me just say this—

Mr. WALKER. No one was derelict in their duty.

Mr. BURTON of Indiana. Let me just say that I think that all of these animosities and all of these concerns could be laid to rest very, very easily if the House of Representatives had a complete clean breast of this situation for the American people and every Member of this body. That is what needs to be done. That is what should have been done a year ago, and was not done.

Mr. SWIFT. Will the gentleman yield on that point?

Mr. BURTON of Indiana. I will be happy to yield to my colleague.

Mr. SWIFT. I feel very strongly about this. I led the fight last time not

to do so, and these are the reasons. Our investigation was not typical of a criminal investigation because we were not charged with making a criminal investigation. What we were charged with doing was finding out what went wrong and recommending new administrative procedures in the post office so it would never happen again. And we did that.

But the nature of the testimony we took was very, very different and taken under very, very different circumstances than you would if you were pursuing a criminal investigation.

In fact, the witnesses were told, and I have to tell you it was a Republican counsel who first said this, and I do not mean to blame Republicans, but only to indicate that there was bipartisan agreement on this, and he said, "Everything you say is off the record."

The witnesses, who, after all, are primarily employees of this institution, employees of the post office, were told that what they said would be off the record.

Second, almost none of the witnesses were sworn. There is innuendo, there is rumor.

If the gentleman would let me continue, the central question is why not, and I am telling you why not, and I would hope you would give me a bit more time.

The record contains hearsay. For what we needed to do, the analysis of the administrative problems down there, that was quite acceptable. It would be wholly unacceptable if you were following a criminal prosecution. Who would be harmed if these were—

Mr. BURTON of Indiana. Reclaiming my time, let me say this—

Mr. SWIFT. The gentleman does not want me to tell you why?

Mr. BURTON of Indiana. There was a difference of opinion between Democrats and Republicans. You sound like that everybody was on the same wavelength. That is not the case. The chairman of the committee said there is no credible evidence to back up allegations of wrongdoing against any individual, and yet one of the members of that committee from Kansas said the investigation should continue. It was cut off, and when the vote took place on this floor, it was on a party line vote.

Mr. SWIFT. That is irrelevant to the question raised.

Mr. BURTON of Indiana. Why is it irrelevant?

Mr. SWIFT. It is irrelevant to the question you raised and how I tried to answer it.

Mr. LINDER. Mr. Speaker, will the gentleman yield?

Mr. BURTON of Indiana. I yield to the gentleman from Georgia.

Mr. LINDER. Mr. Speaker, I would like to direct one point toward the point of the gentleman from Washington [Mr. SWIFT]. That is he says this

report is full of hearsay evidence, hearsay testimony, lack of evidence, unsworn, promised it would be off the record.

This is the evidence we were told this morning that the Speaker of the House is willing to release 10 working days from now, the same evidence. Our point is why is the timeframe so important? Why is it going to have to be held up for 10 legislative days in the House, 10 working days? If this testimony is so off the record, so hearsay, so unreliable, why would the Speaker say we cannot release it tomorrow, but we can release it in 10 working days?

Mr. SWIFT. That is not what the Speaker said, if the gentleman would yield.

Mr. BURTON of Indiana. I would be happy to yield. What did the Speaker say?

Mr. SWIFT. What the Speaker suggested is if we are going to pass this, we should give the Attorney General of the United States 10 days in which to determine and inform us as to whether or not revealing this information will jeopardize an ongoing criminal investigation.

Mr. BURTON of Indiana. If I might reclaim my time, there has been a year. There has been a year. Why 10 more days? Why not tomorrow?

I think there are many people concerned about the legislative process that is taking place around here and what this might impede.

Mr. SWIFT. There are answers to all the gentleman's questions, if he will yield so he can get the answers.

Mr. WALKER. If the gentleman will yield, the gentleman from Washington [Mr. SWIFT] just helped us understand why this would not interfere with the prosecution, because in no instance were any of the witnesses granted any kind of immunity. It is our understanding after consulting with a bevy of attorneys, most of whom have been prosecutors, that they feel as though there is absolutely nothing that would get in the way of proceeding with the prosecution, unless in the course of those deliberations in the House Administration Committee someone was actually granted immunity from prosecution. No such immunity grants were done.

As the gentleman from Washington pointed out, the witnesses were brought in not in a criminal proceeding, and so therefore there was no immunity granted to them. So there is absolutely no way that anything that is in those documents could get in the way of the prosecution.

It is clear then when that is used as an excuse, that that is one more attempt to keep this House from moving ahead with the rightful obligation to release this material to the public.

Mr. SWIFT. If the gentleman will yield, that is simply wrong.

Mr. BURTON of Indiana. I see some of the leadership is here. The majority

leader visited us. I am glad he is here to hear this tonight.

□ 1850

I hope that he, along with the Speaker, will sit down and very calmly talk about this issue and try to get all of the relevant facts before the body for a complete investigation so we can make a clean breast of this to the American people. I think that if anything else is done, it is going to increase the disrespect the American people have for this House.

It is imperative, in my opinion, that we not have another full-blown House checking scandal. It appears to me we are heading in that direction.

If the leadership wants to head that off at the pass, what they need to do is bring this to a conclusion as quickly as possible.

Mr. Speaker, I yield to the gentleman from California [Mr. BAKER].

Mr. BAKER of California. Mr. Speaker, maybe the gentleman cannot answer this. The gentleman from Washington might be able to.

At the time these hearings were held and the separate reports were made, did either side know they were being lied to by an employee of this House?

Mr. BURTON of Indiana. Does the gentleman from Washington care to respond to that?

Mr. SWIFT. Mr. Speaker, the gentleman refused to yield to me. I was not listening anymore.

Mr. BAKER of California. At the time the two reports were written and the testimony was taken, did either side know that they were being lied to by an employee of the House?

Mr. SWIFT. I do not believe that either side knew with certainty. There was no proof.

Mr. BAKER of California. Did they know that there was a Congressman A and a Congressman B involved in a conspiracy?

Mr. SWIFT. No.

Mr. BAKER of California. Well, now we do know because the gentleman that worked for the House has pled guilty to a conspiracy.

Mr. SWIFT. The point is that there is an ongoing, and has been for months, criminal investigation that is going to get at the root of this. What you people want to do is to release this information, which may well interfere with the successful completion of that criminal prosecution. Why do you want to do that?

Mr. BURTON of Indiana. If I might intercede, I do not remember the Majority being concerned about that with Watergate or with the Iran-Contra investigation or anything else. Criminal prosecution could be secondary. You went right ahead with the hearings just as quickly as possible. But when your party is involved, when your party is involved, the first thing you do is say, "Wait a minute. We have to

wait for the criminal prosecution to take place." I think there is a double standard here that many of us simply do not understand, nor do the American people understand.

Mr. BAKER of California. The firing of the prosecutor did more to slow down this investigation than any of the shenanigans we might have on this floor.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 2667, EMERGENCY SUPPLEMENTAL APPROPRIATIONS FOR RELIEF FROM MAJOR WIDESPREAD FLOODING IN THE MIDWEST, FISCAL YEAR 1993

Mr. BONIOR, from the Committee on Rules, submitted a privileged report (Rept. No. 103-187) on the resolution (H. Res. 220) providing for consideration of the bill (H.R. 2667) making emergency supplemental appropriations for relief from the major, widespread flooding in the Midwest for the fiscal year ending September 30, 1993, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION WAIVING CERTAIN POINTS OF ORDER AGAINST H.R. 2490, DEPARTMENT OF TRANSPORTATION AND RELATED AGENCIES APPROPRIATIONS ACT, 1994

Mr. BONIOR, from the Committee on Rules, submitted a privileged report (Rept. No. 103-188) on the resolution (H. Res. 221) waiving certain points of order against the bill (H.R. 2490) making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1994, and for other purposes, which was referred to the House Calendar and ordered to be printed.

FACTS WITH RESPECT TO THE POST OFFICE INVESTIGATION AND CONTINUING DISCUSSION OF NAFTA

The SPEAKER pro tempore [Mr. FINGERHUT]. Under a previous order of the House, the gentleman from Michigan [Mr. BONIOR] is recognized for 60 minutes.

Mr. BONIOR. Mr. Speaker, I am here tonight to speak about NAFTA. Before I do, I yield to my colleague to lay before the House some of the facts on the issue that has previously been discussed this evening with respect to the post office situation.

I yield to the distinguished majority leader, the gentleman from Missouri [Mr. GEPHARDT].

Mr. GEPHARDT. Mr. Speaker, I thank the gentleman for yielding to me.

I thought it would be appropriate, before you go into the rest of your special

order tonight on NAFTA, to try to clear the air and to bring some facts to the matter that has just been discussed in a prior special order about the investigation regarding the post office.

I would like to read from a letter that was sent to the Honorable THOMAS S. FOLEY, Speaker of the House, and the Honorable ROBERT MICHEL, minority leader of the House, on today, July 21, 1993.

DEAR MR. SPEAKER AND CONGRESSMAN MICHEL: We have been advised that the House of Representatives may be considering the public release of previously confidential materials generated during the inquiry conducted last year by the Task Force to Investigate the Operation and Management of the House Post Office. I am writing to express this Office's serious concern that the release of such materials could have a significant adverse effect on the ongoing criminal investigation being conducted by this Office into matters associated with the House Post Office. Accordingly, I ask you not to authorize the release of such materials.

Last year, this office endeavored to work cooperatively with the Task Force, so as to enable the Task Force to conduct its mandated operations-and-management review of the Post Office, without invading the integrity of the criminal investigation. After completing its review in July of last year, the Task Force prudently concluded that many of the materials that it had collected or generated—including deposition and interview transcripts and tapes—ought to remain confidential, in part because the publication of such materials posed a significant potential to compromise the ongoing grand jury investigation. That potential remains today. The investigation is continuing, and inevitably involves many of the same witnesses and transactions that the Task Force inquiry included.

For these reasons, I strongly request that the House refrain from releasing additional materials generated by the Task Force inquiry.

J. RAMSEY JOHNSON,
United States Attorney.

This individual, J. Ramsey Johnson, is the deputy to former U.S. Attorney Jay Stephens. He is a career official in the U.S. Department of Justice, U.S. Attorney's Office.

He is the same person that worked with Jay Stephens as his deputy in the work on the criminal investigation and prosecution in the post office situation.

It is worth noting that all through the investigation, Jay Stephens was in contact with this Task Force. In fact, I have here in front of me two letters, one June 4, 1992, another March 27, 1992, in which Jay Stephens made recommendations to the task force to either not interview a certain witness or to interview a certain witness, as they worked together to see that their two work products complemented one another and did not injure one another.

The truth is that if there was a resolution here tomorrow to release this information, we would be doing the very thing that I think would be wrong to do, and that would be to complicate, to sidetrack, to obfuscate, to damage, to injure somehow an ongoing and, ap-

parently, successful criminal investigation.

We had the former Postmaster plead guilty in Federal Court the other day, as a result of that criminal investigation, which is still ongoing. And as the U.S. attorney said in his letter to us today, please do not reveal any of this information because you are going to damage the work that we have done.

Now, statements have been made that the materials were not in the hands of the other party. The other party cooperated and was part of the work of the task force. It was evenly divided between both parties. There were three on one side and three on the other.

All of the work of the task force was done cooperatively between the parties.

Statements were made about cover up and the fact that the resolution that was passed last year was part of a cover up. I think the words must not have the meaning that I think they have in Webster's dictionary. The cover up would come if we voted somehow tomorrow to release the information, to stop the criminal investigation. That is the last thing in the world anybody who wants justice to be done in this case would want to do.

□ 1900

You have a U.S. attorney who is in the middle of and succeeding with a criminal investigation, saying, "Please don't compromise our efforts. Please don't stop the investigation that we are involved in by doing this, because you might ruin what we are trying to do."

If you are trying to cover up, if you are trying to frustrate a criminal activity, then surely you would want to release this information publicly. How in anyone's right mind could they want to do this? It is unbelievable to me that anyone who has any sense of the criminal law and how it works would want to come to the floor and say, "Let us frustrate a criminal investigation. Let us put material out and stop what the U.S. attorney is trying to do, and has told the leadership of the House, both Republican and Democratic, what he is trying to do."

I think, rather than trying to create confusion, trying to obfuscate, trying to misrepresent what the facts are in this case, we should listen to what the assistant U.S. attorney has said. We should listen to what they have said, as we have over the last year of this investigation, and try to cooperate with the law enforcement officials of this area and this country.

A lot of speeches were made on this floor about law and order. I am interested in law and order. I must say to my friends, the best way to represent law and order and to get to the bottom of allegations that have been made and bring to justice anyone who has broken

the laws of this House of the United States is to do what we always do, and that is cooperate with the law enforcement officials of our country, who are trying to do their job in the best possible way they can, and are simply asking for the simple cooperation of the U.S. House of Representatives in doing that.

Mr. OBEY. Mr. Speaker, will the gentleman yield?

Mr. BONIOR. I yield to the gentleman from Wisconsin.

Mr. OBEY. Mr. Speaker, I thank the gentleman for yielding to me.

I must say that I rise with considerable sadness after what I witnessed during the last hour in this House tonight. I started out in life, and I am sure this will shock my Republican friends, I started out in life as a passionate Republican. I peddled more literature for—

Mr. BONIOR. Sorry to hear it.

Mr. OBEY. I peddled more literature for Bob Taft and Joe McCarthy than anybody in the State of Wisconsin when I was a teenager in 1952.

One of the reasons that I left that party and became a Democrat, eventually, is because in my own State we had a man by the name of Joe McCarthy. He defined politics in my State. His conduct demonstrated to me that I could not continue to remain in the Republican Party in Wisconsin. Thank God that has now changed. It demonstrated to me I could not remain in the party.

As I was saying, it was demonstrated to me that in Wisconsin, in those days, it was not possible to remain in the Republican Party and to disagree with the character assassination, innuendo, and other tactics used by him at that time. Thank God he has now been largely discredited, I believe, in both parties. Certainly his techniques have been.

I think I know an imitation of McCarthyism. I think I know the sly use of innuendo when I see it. I must say that I regret it every time I see it.

I also think that I know it when I see a pitiful disregard for due process and for fairness, and I have to say that I hope that this House has learned something from the missteps that we took in Iran-Contra. In our eagerness to pursue a wrongdoing, or perceived wrongdoing in that case, we engaged in a process which effectively resulted, unfortunately, in a number of convictions being thrown out of court on technicalities because the court ruled that witnesses had been prejudiced by the activity of the committee at that item; inadvertently, I am sure, but nonetheless that is what happened.

It just seems to me that in the teeth and in the weight of that record, for us to blithely disregard the request of the U.S. prosecutor who, after all, is the man who successfully concluded the investigation and the conviction of the

former Postmaster, it would be the height of irresponsibility. I would simply suggest that unless Members have contacted the U.S. attorney and have received a different set of requests, or unless they have some evidence or have reached a conclusion that the U.S. attorney himself is derelict in his duty, and we have been assured tonight that that is not the case, unless they have determined from the prosecutor's office what effects could occur on the potential prosecution of other people if we release that information, it seems to me that the prudent course is to disregard the rather eager and, in my view, misguided comments that have come from many sources tonight and to, for the moment at least, review with the U.S. attorney what his wishes and desires and needs are.

That is the professional way to proceed. That is the nondemagogic way to proceed. That is the fair way to proceed. That is the way to proceed if one has regard for due process and is more interested in seeking information than scoring political points.

I would hope that we would not see more repetitions of what we have seen in the last hour in this House.

Mr. GEPHARDT. Will the gentleman yield?

Mr. BONIOR. I yield to my colleague.

Mr. GEPHARDT. There are two other points here that I want to make, and then a third point, very quickly, that I would like to answer.

First of all, all of the materials that were produced by this task force have gone both to the U.S. attorney and to the Committee on Standards of Official Conduct of this House. All of the materials have gone both to the U.S. attorney, and at a time, incidentally, when the U.S. attorney was under a Republican President, and to the Committee on Standards of Official Conduct of this House, which is evenly divided between the Republican and Democratic Party.

Second, to reiterate a point I made a moment ago, we are not prosecutors. We are not enforcers of the criminal law. That is done by the Justice Department. If we were to release these materials, we would be obstructing an activity that is going on by the Justice Department. That is why it is wrong.

Finally, in the colloquy that went on earlier there was an intimation that perhaps the leadership on this side or the Speaker had called the U.S. attorney to elicit the letter that came. If that was intimated, it is absolutely false and wrong. I don't know what was said, I don't know how it was said, but I can tell the Members that that was not done.

There was an intimation that there was somehow an effort by the U.S. attorney to use this material to have leverage, or somehow that the administration would have some kind of leverage on people that are participating in a conference on the budget. Again, if

that is the intimation that was made, I am deeply offended by it.

This is a U.S. attorney who is a career official who has spent most of his career under Republican Presidents and Republican Attorneys General, who is beholden to no one in any party, and to intimate or to say somehow he would use this criminal investigation to influence what any Member of Congress would do is absolutely a reprehensible and false statement to ever make in this place.

Everything that has been done in this case on this side has been done in the interest of bringing truth and justice to this matter. Indeed, that is what is happening as a result of this criminal investigation. I wish and I hope that we will go forward with this criminal investigation and give our Department of Justice and the people who work very hard for it the ability to continue their work and to get every possible fact in front of the public.

□ 1910

And when that is finished, and they have had the chance, the best possible chance to bring justice in this case, and to bring everybody who did anything wrong to justice, then we would be happy to entertain anybody's idea of putting everything in front of the public and letting the public make known their judgment and all of these facts.

I thank the gentleman for yielding.

Mr. BURTON of Indiana. Mr. Speaker, will the gentleman yield?

Mr. WALKER. Mr. Speaker, will the gentleman yield?

Mr. BONIOR. I will not yield at this point.

What I will do is talk about justice and switch subjects for the moment. I have six Members who have come to the floor this evening to talk about justice for workers.

Mr. Speaker, I ask for order.

Mr. Speaker pro tempore. (Mr. FINGERHUT). The gentleman will suspend. The gentleman from Michigan [Mr. BONIOR] controls the time. He has declined to yield.

Mr. BONIOR. I thank the Speaker.

Mr. Speaker, I come to the floor tonight to talk about justice for workers, to talk about the North American Free-Trade Agreement.

Mr. Speaker, for several weeks running now I have come to the floor of the House to speak out against the proposed North American Free-Trade Agreement.

I'm against NAFTA for one simple reason: NAFTA threatens American jobs.

If this agreement is ratified, we will lose jobs in manufacturing. We will lose jobs in agriculture. And we will lose jobs in small business.

Removing barriers to fair and free trade between countries is, in principle, a good idea. That's why I supported the Canada Free-Trade Agree-

ment. That agreement has Free-Trade Agreement. That agreement has worked for us because the United States and Canada are essentially similar economies.

But there is something dreadfully wrong with linking together two countries whose economies, basic political systems, and environmental standards are as vastly different as ours and Mexico's.

Let's look at the facts. They shouldn't be news to anyone who's been paying attention to what is really going on in Mexico.

Mexico's minimum wage of just 58 cents an hour is a mere fraction of wages in the United States. Even the best manufacturing jobs in Mexico pay less in a day than United States workers earn in an hour.

Why are Mexican wages so low?

Because the Mexican Government keeps them low.

When workers try to organize independently for better wages or working conditions, the Government steps in to squash them.

Just ask the four Mexican workers who bravely came here last week to testify before the Subcommittee on Employment, Housing, and Aviation. They told their own personal stories—in spite of threats of government reprisal—about the retribution they've suffered for doing little more than meeting with fellow workers—after hours, off the company premises—to talk about the need for decent wages.

Juan Carranza worked for the TDK company in Juarez for two years. He earned \$8.50 for a back-breaking, nine hour day making magnetic components. But he was fired in September of 1992 because he was trying to reform his government controlled union and make it more democratic—more responsive to the needs of the workers.

He went to plant after plant in the Juarez area, but no one would hire him. Finally, at one of the plants he went to, the personnel officer showed him a list with his name on it. She said it was a list of rebellious workers, circulated by the local chamber of commerce, and that he would have to get a letter from TDK in order to get his name off the list. Of course, they wouldn't give Mr. Carranza a letter to clear his name.

He testified about his greatest heartbreak in all of this—without a paycheck, he couldn't buy Christmas presents for his children.

Alma Molina told her story, too. She worked for Clarostat—a U.S. company with a plant in Juarez. She earned \$4.50 and for a nine hour day. Fifty cents an hour. She worked with dangerous chemicals—like phenol and epoxy resin—without gloves or masks.

She began meeting with other workers who were concerned about health and safety conditions in the plant. They met after hours, off the plant premises, to begin organizing.

Like Juan Carranza, it wasn't long before she was fired. The personnel manager told her to her face that she was being fired simply for trying to organize a union. Unlike Mr. Carranza, though, Ms. Molina was fortunate enough to find another job right away, at a plant owned by General Electric.

But was she able to keep that job? After she was there for only seven days, she was called in to her manager's office. The manager pulled out a black folder. Inside it was a list of names. He said she would have to be fired because her name was on the list. He said it was a list of undesirables—criminals, and drug addicts, and thieves.

Then—as a final indignity—he asked her which of those categories she belonged in.

Ms. Molina is still without work today.

This kind of outrageous repression of basic labor rights is repeated over and over again, in town after town, and in plant after plant, all across Mexico.

Some would say wages are low in Mexico because productivity is low. They couldn't be more wrong.

Prof. Harley Shaiken, of the University of California at San Diego, did a report which shows that wages are kept low in spite of rapidly rising productivity.

He documented how the newer plants in Mexico, like Ford's \$500 million stamping and assembly plant in Hermosillo, are every bit as efficient as plants here at home.

With Mexico's high technical efficiency and low wages, can anyone doubt that United States companies will run for the border once NAFTA is approved?

Throw into the mix Mexico's lax environmental standards—an additional incentive for industry to move South—and you have a formula for economic disaster for American workers.

The Resource Center, a nonprofit research institute located in Albuquerque, has documented over 96,000 specific jobs, from 253 specific plants, lost to Mexico over the last 12 years.

They estimate the total number is actually much higher. When you add in job losses that supplied or serviced the relocated firms, you get a conservative figure of over 500,000 jobs lost to Mexico.

Think about that. Over half a million Americans out of a paycheck because the multinationals that used to employ them found they could pay Mexican workers a whole lot less.

They don't even have to worry about environmental regulations or worker safety standards by moving to Mexico, to boot.

And now we're going to endorse these relocations and job losses—and invite even more of them—by having our Government roll out a big red carpet called NAFTA?

Not if I can help it.

That's why I'm here to make sure my colleagues and the American people know the facts about NAFTA before we rush into this fatally flawed agreement.

While we're on the subject of the facts about NAFTA, I wonder how many of my colleagues and constituents have stopped to ask who's fighting on the other side of this thing, trying to pass NAFTA?

It's the Fortune 500 companies—it's the Wall Street investors who see in NAFTA more easy money opportunities, like the kind they scored with merger and buyout mania during the 1980's, that left most of the rest of America out of work and in debt up to their eyeballs.

And it's the guys running around Washington in the thousand dollar suits, who are being paid big bucks by the Mexican Government to lobby on their behalf.

Altogether, the Mexican Government and the pro-NAFTA corporations are spending more than \$50 million to pull the wool over our eyes to get this thing passed.

A special advertising supplement in today's New York Times is a perfect example of what they're up to.

They've got a big spread. It takes up seven pages in the business section of the paper. It combines articles and opinion pieces supporting NAFTA, disguised to look like news, with paid advertisements touting NAFTA's benefits.

The list of advertisers reads like a Who's Who of the corporate elite.

Insurance companies.

Banks.

Telecommunications firms.

Here's the really outrageous part:

When the groups opposed to NAFTA tried to place an ad in the same section, to tell the other side of the story—the side of the story about what NAFTA will really mean for working people—the New York Times said no.

The groups were willing to pay the same rates that the pro-NAFTA people paid, but the Times wouldn't let them.

When opponents of NAFTA tried to take another tack, and asked if they could place an op-ed on the regular opinion page—to at least give some kind of balance to the advertising supplement—they were again denied.

Is that journalistic integrity? I wonder how much money they made off that advertising section. The New York Times should be embarrassed out of business for taking such a blatantly biased approach to NAFTA.

Well, working people aren't going to let them get away with it so easily. Yesterday, at noon, working people staged protests at New York Times offices all around the country. In New York, Philadelphia, Chicago, San Francisco, Los Angeles, in Detroit—my home State, and right here in Washing-

ton, working people joined together to let the Times know what they think about a supposedly free press that looks like it can be bought—lock stock and barrel—by the big money interests who support NAFTA.

Now, I do not know if any of the Members saw today, but there was a special advertising section of the New York Times, you know, the paper that says all of the news that is fit to print. This New York Times special advertising section is a perfect example of what is going on with lobbying today on this issue in the U.S. Congress. They have a big spread and it takes up seven pages in here in the business section. It combines articles and opinion pieces supporting NAFTA, disguised to look like the news, to look like the news, with paid advertisements touting NAFTA's benefits. The list of advertisers reads like a Who's Who of the corporate elite, insurance companies, banks, telecommunications firms.

□ 1920

Here is the really outrageous part though: When groups that were opposed to NAFTA tried to place an ad in the same section to tell the other side of the story, the side of the story about what NAFTA really means to working people, the New York Times said "no." The paper that says that they are going to print all the news that is fit to print said no. The paper that comes before this Congress and the American people and rails about what they say is a system that needs correction, and it does.

Then when it comes to the big bucks and the big boys on Wall Street and the investors, they say no to the working people, "You cannot have your say." And that is why working people all across the country today in eight cities, in eight States around the country, picketed the New York Times because they said "no" to the first amendment. They said "no" to the rights of the American worker to have their say about the corruption in Mexican Government, about the corruption that they are trying to foster on us with this treaty that will put many of our workers out of work.

The groups willing to pay the same rates that the pro-NAFTA people pay, the Times would not let them; they said "no." And when opponents of NAFTA tried to take another tack and asked if they could place, you know, an op-ed piece on some regular opinion page to at least give some kind of balance to the advertisements supplement, they were again denied by the New York Times.

Now, I ask you, is that journalistic integrity? I wonder how much money they made off of that advertising section here.

The New York Times should be embarrassed, out of business, for taking such a blatantly and biased approach to NAFTA.

Well, I want to tell my colleagues and the American people, working people are not going to let them get away with it so easily. We are not going to let the Washington Post and other papers around the country who print Henry Kissinger op-ed pieces in support of NAFTA under the name of the writer, that he is a former Secretary of State, of Kissinger Associates, an international consulting firm with business interests in many countries abroad. I would like to know what interest Henry Kissinger has in NAFTA, what corporate and investor elites he represents. I want to know exactly what these op-ed pieces are and who writes them, and I want to know the writers, these esteemed writers that we have in the country, that walk around here with halos that take 15 and 20 grand apiece to give a speech to these business organizations who are in support of NAFTA. I want to know what their credibility rating is on this issue.

And I want the newspaper industry in this country and those who are about justice to come forward and explain to the American people how they could be so biased, how they could be so one-sided on an issue that affects the working people of this country.

Mr. Speaker, I yield to my friend, the gentleman from Ohio [Mr. BROWN].

Mr. BROWN of Ohio. I know that our colleague, the gentleman from New York [Mr. HINCHY], has some things to say about jobs as you did, but if I could for a couple of minutes follow up on what you were saying about newspapers.

In the Cleveland Plain Dealer, that same article from Henry Kissinger ran the by-line under the article said, "by Henry Kissinger, formerly served as Secretary of State in the Nixon and Ford administrations," never a hint about whether Henry Kissinger is receiving money as a consultant to the tune of tens of thousands of dollars from the Government of Mexico. When Bill Brock writes a similar op-ed piece for newspapers all across the country, newspaper publishers snatch them up immediately, put them in the paper, and they say, "Bill Brock was formerly U.S. Trade Representative in the Reagan," I believe, "administration," never again saying that Bill Brock is on the payroll of the Mexican Government, never saying Bill Brock is on the payroll of U.S.A. NAFTA, the corporate group in America that is supporting NAFTA.

The point is that these newspapers, if they are going to come clean, these newspapers if they are going to be forthright, should tell the American people what the story is, that these people are using their former service in the U.S. Government paid for by taxpayers, supposedly representing American interests when they negotiated trade agreements in the past, they are using those titles to tell the American

people that they should pass something.

It is important, and I would ask people watching C-SPAN and watching this to call some friends. We are going to talk about jobs. The gentleman from New York [Mr. HINCHY] is going to talk about jobs. The gentlewoman from Florida [Mrs. THURMAN] is going to talk about agriculture and what NAFTA means about that. Call your friends, because the way we are going to defeat this agreement is not by spending more money than the Mexicans. The gentleman from Michigan [Mr. STUPAK] is also going to talk about jobs and agriculture. But it is not going to be by spending more money, not going to be by editorials in the newspapers.

It is going to be by the fact that most Americans are against this, and Americans, all of us, everyone needs to write their Member of Congress, needs to write all of us so we can stand up on the floor and say that we have got 3,000 letters against NAFTA and only 12 of the wealthiest business people in our district were for it, because small business is against it, the people are against it, workers are against it. It is a bad idea.

It is an investment agreement as the gentleman said. It is not a trade agreement. It does not mean jobs. It means loss of jobs. It is a job killer. It is a small-business killer. It is a killer for our communities if these companies just pull up stakes and leave town.

Mrs. THURMAN. Mr. Speaker, will the gentleman yield?

Mr. BONIOR. I am happy to yield to the gentlewoman from Florida.

Mrs. THURMAN. I just want to make a point here in the fact that we have brought up the fact of how the Americans should be feeling about this and getting in touch with them.

I say to the gentleman from Michigan [Mr. BONIOR] that one of the questions I would like to ask him is: During your testimony tonight or conversation tonight, you talked about the workers from Mexico. The one question that was asked to the Mexican workers, and yet we have been led to believe, as Americans, that Mexicans are for this, and the one question that was asked of all three of those workers who came here at their risk, their families' risk, their ability for economic stability within their own families, was: Did they agree or want NAFTA in their country? do you know what their answer was? Adamantly no.

Mr. BONIOR. It is not surprising. I thank my colleague from Florida for bringing that out.

The press would have us believe that the Mexican people are for it. They are overwhelmingly against it.

I will tell you why they are against it: The people who care about human rights, the people who care about political reform, the people who care about

labor-law reform in Mexico, and all the things that will help rise the average Mexican worker to a level they can compete and live and provide decently for their family are against it. Ninety percent of the Mexican people know what this treaty will do.

What it will do is it will lock in the existing corrupt system in Mexico. It will lock in a system that we have seen show wages dropping from 1979 to 1992—25 percent. It will lock in the system of pollution. It will lock in the system of labor law which is not enforced, and judicial law which is not enforced.

It will preserve a system for an elite, an elite that we are talking about 30 families who control 60 percent of the gross domestic product in Mexico. That is what this thing is for. That is what this thing is for, and that is why there is such an outrage, as the gentlewoman from Florida has mentioned in Mexico itself to what is going on here.

So we are going to talk about agriculture tonight. But before we move into the area I would like to yield for a second to my distinguished colleague, the gentlewoman from Illinois [Mrs. COLLINS].

Mrs. COLLINS of Illinois. Mr. Speaker, I thank the gentleman for yielding. But I want to talk about agriculture.

Over the past 2 years, the Subcommittee on Commerce, Consumer Protection, and Competitiveness which I chair has held numerous hearings looking at the impact of trade agreements on the health and safety of the American public.

On many occasions, I have come to the House floor to express my concerns over the way free trade agreements with Mexico and Canada may actually weaken food safety standards designed to protect American consumers. These efforts culminated last year in the subcommittee taking a resolution to the floor which stated that Congress would not implement a trade agreement that compromises our country's health, safety, labor, and environmental laws. This resolution was unanimously adopted.

I want to bring my colleagues up to date on our subcommittee's work as it has been in regard to food safety. I recently met with Secretary of Agriculture Espy, who shares my concerns for health and safety of the American public should not in any way be compromised in the name of food trade. But I remain concerned that stricter, more vigorous enforcement of tough U.S. food safety standards is still needed.

At the subcommittee's hearings 2 years ago, a U.S. Department of Agriculture [USDA] import meat inspector working on the United States-Canada border testified that the Department had implemented a streamlined program for the inspection of meat imported from Canada. According to the inspector, this streamlined program

permitted the Canadians to determine which samples of meat would be inspected, and limited the number of inspections that could be performed.

Furthermore, the inspector testified that his superior told him he could not perform a lab test on a load of Canadian meat he suspected was contaminated with the potentially deadly *Listeria* bacteria. He was told they had fulfilled their quota of tests for that period of time.

I brought these criticisms to the attention of former Secretary Madigan on three separate occasions with letters dated May 23, 1991; January 22, 1992; and May 14, 1992. I even went to the House floor on June 27, 1991, to describe how, in the name of free trade, the Department of Agriculture was letting Canadian officials, who are not accountable to our Government, take responsibility for protecting the health and safety of American citizens.

□ 1930

Following the airing of a CBS news show raising concerns about inspection procedures for Canadian meat, then Secretary Madigan acknowledged the problem and promised to improve border inspections. At that time, he came to my office and stated that he had been unaware of the problem.

This year, this subcommittee again heard from Mr. Lehman the USDA meat inspector. This time he raised the concern that meat was being imported from Australia and possibly other countries and, for reasons that are not clear to us being shipped first to Canada and then through Canada into the United States.

When Australian meat was presented at the United States-Canada border, Mr. Lehman asked his supervisor whether the meat should be treated as Canadian, and thus subject to the limited streamlined inspection; or as Australian meat, and subject to very thorough reinspection. His supervisor called headquarters same supervisor as 2 years ago and Mr. Lehman was instructed to treat it as if it were Canadian meat.

The Department of Agriculture now admits it made a mistake in treating the Australian meat as Canadian for purpose of inspection. Nevertheless, we still know that the streamlined procedures adopted at the United States-Canada border are causing problems and that, for whatever reason, Australian meat is still coming to the United States via a very circuitous route through Canada.

Witnesses at the subcommittee's hearing, earlier this year, also raised concerns that NAFTA will lead to an increase in the importation of fruits and vegetables from Mexico. Mexico's standards restricting the use of pesticides on food are different than ours and in some cases considerably weaker.

Two concerns were raised. First, the Mexican Government has no enforce-

ment mechanism to ensure that Mexican growers comply with even the standards it has established. These standards are based on those set by the International Food Organization, and permit trace levels of DDT and other substances which are not permitted in our country.

Second, our Government does not have a sufficient number of inspectors at the United States-Mexico border nor the testing capability to ensure that fruits and vegetables coming into the United States comply with our country's pesticide standards. Testing procedures used by the Food and Drug Administration are able to detect only about half of possible pesticides used.

As a result, witnesses testified before our committee that Mexican growers are able to use whatever pesticides they want on produce grown in that country. According to the General Accounting Office which was also represented at our hearing, the pesticide violation rate for Mexican fruits and vegetables is more than twice as high as for United States grown produce.

Furthermore, Mexico is known to have approved uses for 58 different pesticides on food that we have not approved. In addition Mexico permits 17 pesticides to be used on food that the United States has no approved use for at all, of any kind.

Six of these 17 pesticides are used on produce Mexico exports to the United States. Ten of the pesticides for which Mexican tolerances are different than our own, Mexico says are critical to its agricultural industry.

In addition, the North American Free-Trade Agreement [NAFTA] sets up a dispute settlement procedure which Mexico could use to challenge our stricter pesticide standards as being trade barriers. Under the NAFTA procedures, the United States would have only one representative on a tri-national panel to make a determination on a possible Mexican challenge.

That does not make a lot of sense to me. That means that Mexico and Canada could decide whether or not the foods they are sending to our country were trade barriers and therefore challenge our FDA laws, with respect to food for United States consumption.

Mr. BONIOR. If the gentlewoman would yield, the gentlewoman mentioned 17 pesticides that were not legal for use in the United States that are regularly and legally used in Mexico that could affect our population by being shipped here on the products on which those chemicals are used.

I would like to mention a few of them to illustrate the gentlewoman's point. There is a chemical triazophos, which is used widely on potatoes in Mexico. The EPA found that this chemical attacks the central nervous system, causing vomiting, diarrhea, headaches, twitching, sometimes full convulsions, or even death.

There is another chemical among the 17, pirimicarb, used on apples, beans, citrus fruits and vegetables. It causes vomiting, blurred vision, slurred speech, distressed breathing and, yes, even death in higher concentrations.

These food safety hazards are multiplied 10 times over during the processing, where sanitation standards in Mexico are much lower than they are in the United States.

So the gentlewoman from Illinois [Mrs. COLLINS] is absolutely correct, the standards with respect to food safety which this Congress, State legislatures, the Federal Government, consumer groups all over this country have worked hard to improve over the last 100 years, will be wiped out with this NAFTA agreement.

Mrs. COLLINS of Illinois. If I may, let me say that a witness who is representing the Florida Fruit and Vegetable Association said pesticide differences constitute an unfair playing field that has more than just health consequences for the United States. It has job consequences. He estimated that NAFTA could cost the State of Florida alone 50,000 jobs in its agricultural sector.

Mr. BONIOR. Does the gentlewoman have the name of that gentleman?

Mrs. COLLINS of Illinois. John Himmelberg.

Mrs. THURMAN. And also represented by the Fruit and Vegetables—David Land.

Mr. BONIOR. How many jobs did the gentlewoman say this would cost?

Mrs. COLLINS of Illinois. Fifty thousand jobs in the agriculture sector in the State of Florida alone.

Mr. BONIOR. I heard testimony from a Mr. Michael Stewart of the Florida Fruit and Vegetable Association before the Committee on Ways and Means. He said this:

NAFTA may very well result in farmers and growers losing their farms and groves, their workers losing their jobs, and a number of rural economies being seriously harmed. Growers in Florida have weathered many natural disasters and are now contending with the disasters of Hurricane Andrew. Just like growers in Iowa and Missouri are trying to contend with the catastrophic flooding in the Midwest, I might add. Our growers can not contend with the manmade disaster in NAFTA.

That is how he concludes his statement.

Everything I have read in terms of agriculture, family farms, specifically the Florida economy, will show tremendous job loss if this goes through, and I commend my colleague for bringing that to our attention this evening.

Mrs. COLLINS of Illinois. I thank the gentleman.

Now, finally, if Australian meat can enter the United States as Canadian meat simply because it is transshipped through Canada, there is certainly reason to be concerned about the transshipment of fruits and vegetables from

Central and South American countries through Mexico. Given the inadequacy of Mexico's pesticide enforcement capability, I think this concern is certainly increased.

We then have to ask ourselves, as we did 2 years ago, should free trade mean that we restrict our own Government's efforts and responsibility for protecting the health and safety of American citizens? The answer to this question must be, a resounding "No".

Before closing, let me say that I have just received something that I think is very important that was in the Des Moines Register a little while ago. It says, "Bovine TB still a public concern." I think that certainly covers the whole prospect of meat and other food products that we consume as Americans.

Mrs. THURMAN. If you look into that article, what is interesting about it—we have just heard about what happened in Canada and the kind of problems that we had with meat inspectors, which I also might add was in the New York Times of May 31, 1991, and now this one is in March—guess where those cattle are coming from?

Mrs. COLLINS of Illinois. Where?

Mrs. THURMAN. Mexico.

Mrs. COLLINS of Illinois. Mexico.

Mr. Speaker, let me say I certainly thank the gentleman from Michigan [Mr. BONIOR] and let me say finally that free trade has to be accompanied by sufficient guarantees that health and safety standards our country has established are not in any way compromised. Until those guarantees are firmly put in place, the benefits of free trade simply would have to be postponed.

I thank the gentleman for yielding.

I thank my colleague for yielding.

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Mr. BONIOR. Mr. Speaker, I thank my colleague for her leadership in her committee and in her chairmanship of the subcommittee dealing with these important issues that affect the American consumer and the American worker. She has added immensely to the discussion tonight, and I appreciate her staying late and discussing this issue with us.

Mrs. THURMAN. Mr. Speaker, will the gentleman yield?

Mr. BONIOR. I yield to the gentleman from Florida.

Mrs. THURMAN. Mr. Speaker, we have done a lot of work on this, and I have to say that today we had a three-hour hearing with a panel of about two different groups of people specifically working, one was on food safety and one was on the future of agriculture in this country.

I think there is a very important point that needs to be made that was made at this particular hearing. The gentleman kind of got on it, and that was the issue of the trade barrier and

the fact that another country could come in and say that our standards, our food safety standards, the ones that you all have passed over the last several years to protect the consumer, the ones who will be eating this food, but what was interesting and I did not know this was that, that is the final word, that there is an administrative order or something that if cannot go to the Federal courts, it cannot go to the Supreme Court. This is it. They make the final decision.

Mrs. COLLINS of Illinois. That is my understanding and, of course, in a system like ours it is two votes against one and they prevail, and that scares the daylights out of me.

Mrs. THURMAN. And that is something that has not, I do not believe, been brought up, and the gentlewoman is right to emphasize it again so that the American people will know, so that we will all understand that we would be in jeopardy if this were to pass with those kinds of open-ended questions that have not been resolved yet.

Let me make sure that we know this, because I was amazed when I heard this just this afternoon, because I really did not realize that.

So the 17 pesticides that we heard about that Mexico, for example, uses or other areas use, one of them being DDT, which we have long done away with because of its effects; so if they wanted to bring in a vegetable that had one of these pesticides and we asked them not to or said no, we do not want them in here because it could be a health risk to our consumers, and they said, "Oh, no, you can't do that because that is a trade barrier," and they went to this particular mediation panel and the mediation panel made the decision that in fact they could, then they would be putting the pressure on us to change our laws because of this being a barrier.

Mrs. COLLINS of Illinois. They say it would be a trade barrier and we would be in the position of having to prove that it would be consistent with what we had done in the past, but in the final analysis, the final vote, it would still be two votes against one.

Mrs. THURMAN. No matter what the harm to the consumer is.

Mr. BONIOR. Mr. Speaker, that is a very important point. I thank my colleagues.

Mr. Speaker, I yield to my colleague, the gentleman from New York [Mr. HINCHEY].

Mr. HINCHEY. Mr. Speaker, I thank the gentleman from Michigan [Mr. BONIOR] for yielding to me.

I listened very attentively to the words of my colleague, the gentleman from Michigan, on the issue of NAFTA and jobs, and I can tell you that those jobs rang very true for me.

During the last few months, my constituents have thrown the same four letter word at me again and again, j-o-

b-s, jobs. I hear it from the thousands of men and women who have been laid off, as well as the small business owners faced with suddenly precarious cash flows, family farmers putting for sale signs on their acreage, idle construction workers are also part of the course.

By itself, that single wrenching cry would be enough to make me opposed to the North American Free-Trade Agreement because of the immediate widespread impact it will have on millions of American families.

When you add the severe environmental consequences that NAFTA accepts, this becomes a treaty that I cannot support and I do not think that any reasonable person could support.

Global business follows the inexorable logic of the balance sheets and shifts in production to Mexico where average manufacturing wages are \$2 an hour or less and employee benefits minimal are inevitable for scores of industries if this treaty is adopted. Lower costs stemming from weak Mexican environmental requirements also weigh in heavily in the stark profit and loss equation.

There was an ad that appeared in many periodicals recently that talks about the fact that in the part of Mexico, the Yucatan, you can employ workers for less than a dollar an hour, and heads up by quoting a person who is lamenting the fact, apparently, "I can't find good loyal workers, for a dollar an hour within a thousand miles of here." It is almost as if there is something wrong with society that you cannot find workers who are willing to work for a dollar an hour or less.

We talk about the exploitation of labor. This NAFTA agreement is replete with opportunities for the exploitation of labor, both in Mexico and here in the United States as well.

For the relocation that will result, the relocation of jobs will produce a flood of low-cost imports that will devastate many of the small and mid-size companies that are the mainstays of local United States economies, companies that do not have the resources or the inclination to shift production to Mexican plants, even though there are disputes about how great the impacts will be and whether or not new yet to be defined business growth may possibly somehow take up the slack.

What we hear instead is that we should look past the short-term pain and appreciate the strategic advantages that NAFTA supposedly would bring. The magic of an unregulated free trade region, it is said, will surely transform our hemisphere to a natural division of complimentary economic spheres which will be of benefit to all.

Lose a little manufacturing in the United States? They say, "Don't worry. It won't be the high end value added industries that we want to encourage."

Low wages in Mexico and lack of environmental regulation will not be that

attractive because the skilled labor pool is not there.

And of, of course, they say as Mexicans still do develop, their wages will rise to parity with those of the United States.

Well, I do not think anybody is going to believe that.

The fact is that major multinational companies have already successfully sited high technology plants in Mexico that produce world class quality products, cars with advanced electronics, and wages have not risen to levels anywhere near to what skilled workers in the United States can command.

Parity may well occur down the line, but I am afraid it will come as U.S. wages drop to meet those of Mexican workers.

Concern about the festering environmental cancer that has exploded at the border under existing policies? "Don't worry," they tell us. NAFTA includes agreements that say you cannot lower your environmental standards anymore just to attract new business, and the two countries have agreed to establish a joint environmental commission that can draw attention to any problem, but will not have too heavy a practical impact on business.

Anyway, NAFTA proponents contend, modern business investments will be cleaner than what is there already.

Naturally, though, you cannot ask Mexico to close down existing businesses or change their regulations to match ours.

Well, the new side agreements on the environment are silent on the subject of who will pay for the disastrous environmental degradation that the current free trade zone has spawned on the United States-Mexican border.

Hardly an inspiring prototype.

It is reassuring to know that U.S. States cannot gut their environmental laws in a desperate attempt to remain competitive, though, is it?

Echos of the discredited eighties battle cry of "hands off business" are all too loud when you look closely at the environmental impact of NAFTA.

"Don't worry," they say. "Take the long view. Free trade and the natural democracy of commerce will somehow make our economy better than it is today."

Well, I have got a four-letter word ready for those arguments, that is jobs.

The United States has had the opportunity to see the beneficial effects of that natural free market approach to our own economy and we will be paying the price for that opportunity for generations.

I am not willing to give that jingle another round of air play, simply because it has an impressive track record of taking in and deceiving the public.

There are enough serious problems facing American workers already. All across the country communities are faced with inescapable dislocations

that the post cold war has brought. Base closings are enormously painful, if inevitable. The defense industry, too, has had to face up to a world where it has a significantly reduced import.

Businesses have found that in order to compete they have had to pare away layer upon layer of middle management workers. Blue collar workers have also become surplus on a wide scale, replaced by temporary workers and overtime for smaller work forces.

The wash of technological revolution has become a flood tide of change, transforming industries, jobs and expectations alike, and the list goes on.

Those are the realities we have to deal with. Finding a way to successfully meet those challenges will not be easy and it will not be quick.

NAFTA is different. This is a quagmire that we can step away from and we can step away from it now before we begin to sink into its destructive embrace.

I am going to vote against NAFTA because I am listening to the voices of my constituents and their urgent demands for positive steps to protect their job opportunities and the environment in which they live and raise their families.

The cost of the free trade envisioned by this treaty is too high to impose on this and future generations of Americans in both human terms and in environmental terms.

I think that anyone who has the opportunity to examine this treaty and its implications both on the people on the northern side of the border as well as those on the south will reject it as disastrous for both economies and for workers in both countries.

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Mr. BONIOR. Mr. Speaker, I thank my colleague from New York for his eloquent statement. He has hit this right on the head of the nail. The people on both sides of the border reject this. It is just the corporate elite in this country and the journalistic elite that are pushing this, many of whom are interchangeable in terms of directorships, in terms of influencing each other's businesses, and it is important for us to stand up and make it very clear for the American people what this will do. We will lose at least a generation of workers in this country who will become expendable, as the gentleman has pointed out, and to assist them, which will not improve the lot of the people which will be the beneficiaries of the jobs that have moved south of the border. That is really the tragedy of all of this, that every worker loses, and I ask my colleagues to seriously look at this treaty specifically because it is not in the best interests of America or our constituencies. It may be in the best interests of those who are creaming the top: investors, the Wall Street folks, the corporate elite. But it is not in the

best interests of working people in this country.

I yield to the gentleman from Michigan [Mr. STUPAK].

Mr. STUPAK. Mr. Speaker, tonight we are talking about NAFTA and its effect on agriculture. Where I come from, up in my neck of the woods of Michigan, northern Michigan, to us agriculture means trees, forest products and timber. Much of the forest products industry, like the auto industry, believe in favor of NAFTA because they believe they will be able to take advantage of cheap Mexican labor at \$1 an hour. What they want us to do is cut down our trees, our natural resources, and send them down to Mexico to make cabinets, doors, windows, and yes, even paper. Even the New York Times could buy paper made with Mexican labor at \$1 an hour.

We look at what has happened in southern California since 1988. Cabinet-makers, mill men, and furniture-makers have reported, 1,175 jobs have been lost to Mexico based on cheap labor. How did all this start? About 7 years ago Louisiana Pacific, a timber processing company, moved its operations to Ensenada, Mexico, in Baja California. With the assistance of the Mexican Government they built a lumber manufacturing facility. Louisiana Pacific began shipping rough-cut redwoods down the coast from California, processing and packaging cut stock redwood lumber and import it back to the United States. The mobility of the timber industry was never envisioned before Louisiana Pacific made this move, and the mobility of the paper industry is also not being envisioned right now.

So, Mr. Speaker, I think it is important that tonight we sound the alarm of all of the agricultural products, especially timber.

Paper mills located in my area, northern Michigan, would be closed down, and right now are being built because it is close to the timber supply, but if the paper mills move to Mexico for cheap Mexican labor, leaving northern Michigan workers behind, the plants would move to Mexico, they would not use the timber that is harvested in northern Michigan. Most likely, Mr. Speaker, timber from California and Mexico would be used in the processing plants and then exported back to the United States in finished products.

Manufacturing of doors: The Midwest, including Michigan and Wisconsin, depends heavily on veneer. Veneer is an outer skin of the door that is glued over a hollow core. What is important is that most of the veneer is made in Michigan and Wisconsin. Much of that timber comes from our area, and also Canada, but it can be manufactured throughout the Midwest.

But what would happen under NAFTA? Under NAFTA, Mr. Speaker,

the veneers that were once manufactured in the Midwest would again be moved to Mexico to take advantage of the cheap labor. Once again that takes jobs away from the American workers and the workers in Michigan and Wisconsin.

Pulp and paper industry, my largest employer. In the Northwest chip plants are older and are in decline. Over the next 5 to 7 years the older mills will probably be forced to close. The question then arises: Where will the capacity come from, and the possibility is Mexico. There are already wood chip manufacturing plants located in Mexico. In fact, the Japanese Government has begun importing large amounts of unprocessed timber and wood chips from Mexico. If wood chip processing is easily moved to Mexico, pulp and paper processing can also be moved easily, very easily, south of the border.

Another way for the Japanese Government to exploit our timber market would be to take advantage of the NAFTA agreement and use the Mexican Government as a conduit to export our unprocessed timber to Japan to be processed by their workers. Rail shipments could move timber from the Midwest to Mexico and use Mexican labor to process the timber and export it back here to the United States.

The window manufacturing industry relies heavily on the forest products. They will look to the low labor standards in Mexico because of the high cost of manufacturing windows, but they will have access to all of our markets. They will take our raw materials, put them into cheap labor markets and import it back at a high price to American workers.

So, Mr. Speaker, tonight I sound an alarm as to NAFTA not just because of the initial assault on our timber and forest products industry which has already begun, but because it represents a further degradation of our human resources and, finally, our natural resources, the forest products industry.

Mr. BONIOR. Mr. Speaker, I would like to pose a question now to the gentleman from Florida [Mr. BILIRAKIS].

Last night the gentleman from Florida [Mr. BILIRAKIS] came and asked me for I do not know, 20 or 25 minutes of the time that I and the gentlewoman from Connecticut [Ms. DELAURO] had because he wanted to talk about Cyprus, and I agreed to let him have it even though I had, I think, seven or eight people that were waiting. I entered into an unfortunate situation this evening where I have two or three other people who would like to speak. I would ask the gentleman for the same courtesy, and then we will make sure, if it is all right with the gentleman from Oregon, that the gentleman will have the time that he needs to make up the hour.

Mr. BILIRAKIS. Mr. Speaker, if the gentleman would yield, how much time are we talking about?

Mr. BONIOR. I think we can probably finish this in 15 or 20 minutes.

Mr. BURTON of Indiana. Mr. Speaker, will the gentleman yield for just a moment?

Mr. BONIOR. Yes.

Mr. BURTON of Indiana. I certainly have no objection, nor do I have standing to make an objection, but I would just note that a number of us have been waiting because the majority leader a while ago wanted to ask a question about a statement he made, and we asked the gentleman from Florida [Mr. BILIRAKIS] to come back here so we could illuminate the issue, and the gentleman in the well would not yield to us for us to ask—

Mr. BONIOR. I would have yielded except for this dilemma I had. I yielded yesterday to the gentleman from Florida. He took about a half hour of our time, and I was pleased to do it, and I have got a similar situation tonight, and I will be sure you get your hour. I would just like to accommodate two or three other people.

Mr. DELAY. Mr. Speaker, if the whip will agree to a unanimous consent request to switch the gentleman's time with mine, I will honor the whip's request and give him an additional 15 or 20 minutes, how much ever time he needs, out of my time.

Mr. BILIRAKIS. Mr. Speaker, my purpose is to do a unanimous consent request, so by all means we will go along with that as long as there is agreement that they are not going to object to the unanimous consent request.

Mr. BONIOR. As far as I am concerned, I will not object, and I do not think any of my colleagues will.

Mr. BILIRAKIS. So, we are talking about 15 to 20 minutes.

The SPEAKER pro tempore (Mr. FINGERHUT). Will the gentleman state the unanimous-consent request?

Mr. BILIRAKIS. Mr. Speaker, is it in order?

The SPEAKER pro tempore. The time of the gentleman from Michigan [Mr. BONIOR] has expired. Under a previous order of the House the gentleman from Florida [Mr. BILIRAKIS] is next recognized.

ORDER OF BUSINESS

Mr. BILIRAKIS. Mr. Speaker, I ask unanimous consent at this point that the gentleman from Michigan [Mr. BONIOR] might have an additional 20 minutes of my special order.

As has been indicated to me, the gentleman will not need the full hour, and then, after that 20 minutes has expired, I ask unanimous consent that the remainder of the time resulting from the transfer with the gentleman from Texas [Mr. DELAY], that Mr. DELAY then control the remainder of the time.

Mr. BONIOR. And if the gentleman wishes, the gentleman from Oregon

[Mr. KOPETSKI] would yield that 20 minutes that the gentleman would be giving from his time.

Mr. BILIRAKIS. The suggestion is that I might transfer all of our time to the gentleman from Texas [Mr. DELAY], and then Mr. DELAY will yield the time to the gentleman. That serves the same purpose.

Mr. Speaker, I make that as a unanimous-consent request at this time.

The SPEAKER pro tempore. The gentleman has made a unanimous-consent request to transfer his hour of allotted time to the gentleman from Texas [Mr. DELAY].

Is there objection to the request of the gentleman from Florida?

There was no objection.

DISCUSSION OF NAFTA

The SPEAKER pro tempore. Without objection, the gentleman from Texas [Mr. DELAY] is recognized for 60 minutes.

Mr. DELAY. Mr. Speaker, as agreed to I yield to the gentleman from Michigan [Mr. BONIOR].

Mr. BONIOR. Mr. Speaker, I thank my colleagues, the gentleman from Texas [Mr. DELAY] and the gentleman from Florida [Mr. BILIRAKIS] for their courtesies.

I yield now to the gentlewoman from Florida [Mrs. THURMAN].

Mrs. THURMAN. I thank all of my colleagues, I think.

Today, earlier, when the gentlewoman from Illinois [Mrs. COLLINS] was speaking of the work that she has done on her subcommittee specifically related to food safety, I just wanted to add another point that was actually given to us today at this hearing that I was talking to my colleagues about earlier which was by the Public Citizen's Congress Watch, and one of the things that was interesting, and specifically when she talked about the Canadian problem, and the whistleblowing, and the inspections, the meat inspections, they again in a GAO report note that the United States has, in addition to its regular sampling program, a special program to test Mexican product for pesticide residues. This program is implemented in response to the increasing volume of food imported from Mexico and the growing concerns about the safety of that food.

□ 2000

NAFTA could eliminate this essential testing program as a trade barrier which is what we referred to it earlier, as happened with meat inspection after the implementation of the 1988 Free-Trade Agreement between the United States and Canada. So I think that emphasizes even more so the point that the gentlewoman from Illinois was eloquently letting us know, that there could be a threat to public health because of what we saw happen in Canada, and the same words being in the NAFTA Agreement.

Before coming to Congress I served in the Florida Senate for 10 years, and specifically in that 10 years served on the Florida Agriculture Committee, and, more importantly, served as the chairman of the Agriculture Committee in Florida. I have to tell you this is not a new issue for us in Florida.

I can tell you as early as in the 1989, maybe even the 1988 session while we were there, that our Senate actually came out with a resolution to Congress suggesting that we please not pass NAFTA and put it on the fast track and do all of those things, because we understood what it meant to Florida's economy, understanding specifically that Florida, probably of all other States dealing with agriculture, is in direct competition because of the time that we grow our vegetables, how much the weather is alike, all of the things that would be there.

So what I thought I would do is it just happened to come out July 13 in the Miami Herald specifically that our Commissioner of Agriculture, who has been a very strong supporter of our work here in Congress and on Anti-NAFTA, did a kind of question-answer myth kind of thing about what could happen in Florida agriculture.

I kind of want to put this in the RECORD because I think it is very important. But before I do that, I want to say what also a very good friend of mine from the Florida Department of Commerce said. He talks about the fact that he thinks that the environment with Mexico if passed would help because they have done comprehensive legislation, and that this would be an investment. But one of the things he says in here that really bothered me was, "Furthermore, Mexican officials say that all new incoming investment will have to meet these modern standards, complete with environmental impact statements." No exceptions, no exemptions.

Then you go right back to what we heard about the trade barrier issue. Who is going to decide that? It is going to make that doubly hard for the United States to have trade with them because they are going to make us do all of their environmental issues, but come back and tell us we cannot have the same from them. That just amazes me.

But let me just tell you how important Florida agriculture is. One of the myths that they say is that Florida will benefit from NAFTA with increased activity through Florida's ports. We think that that, or what he says is we are being asked to trade a sure thing, Florida agriculture, on a bet that its losses will be offset by new import-export activity.

Florida agriculture produces more than \$6 billion worth a year in cash receipts. Related industries, like food packing, processing, and transportation, makes it well over \$20 billion

for the State of Florida. It will cost us, we guess, about a third of that revenue. But, more importantly, it is going to cost us 50,000 jobs. That is a lot for an economy in a time like this.

They say NAFTA will be phased in so slowly that Florida farmers will have time to adjust. Current tariffs are low, crucial tariffs on fresh watermelons, grapefruit, cucumbers, tomatoes, oranges, and other crops. These crops generate nearly \$700 million in sales. They will be lifted immediately. So will others like some of the tariffs on peppers and squash where we now generate about \$74 million in revenue. These actual tariffs will be removed in 5 years.

These tariffs level the playing field and allow Florida farmers to compete. Without them we estimate that a third of our \$6 billion agriculture industry will be lost. The phaseout schedules are complicated, and we know that they are going to spell danger for Florida agriculture.

Removing the tariffs will not hurt Florida farmers that much. That is another myth. Mexican farmers enjoy free or subsidized land. They use child labor. They do not pay a minimum wage or worker's compensation benefits. Their officials do not enforce environmental and sanitation requirements that add to the cost of production for Florida farmers.

I might add my little edit in there, it is also protection for the consumer of these products. And the modest tariffs placed on Mexico imports somewhat level the playing field. So we feel this is extremely important in this issue.

They say that Mexico can produce food more cheaply. NAFTA will lower food prices. I am going to paraphrase this.

Hurricane Andrew wiped out our tropical fruit industry, specifically to give you an example, in the lime industry. Boxes of limes from Mexico at that time were \$8. After Hurricane Andrew they rose to \$25 a box. We could show you similarities in tomatoes and every other crop that is grown in Florida when there has been a problem, for whatever reason, whether it is weather or whatever.

Mr. BONIOR. That is why I stopped drinking gin and tonics.

Mrs. THURMAN. Is that the reason?

But I want to put a basic feeling that I have in this issue. And I hope that we have all learned something in this country from this. There was an interesting speaker, I guess the former Governor of North Dakota today, and he kind of related this same issue as we did with energy. And we lost the war on energy. We have lost the issue of gas. We now have to export a amount to just keep our country running.

Please, and I beg this House to understand this, and remembering the history of this country, people came here because they could not have food. They

were starving. They were coming from all over the world to be here because of our natural resources, our ability to grow food.

Please let us not let our citizens become dependent again on what is so basic to this country, and that is our food.

Mr. BONIOR. And our agricultural sector has been the cornerstone of the American economy for our history. It is the envy of the world. And here we are going to let regulation, pesticides, pricing, everything just undermine it. It is unbelievable. Fifty thousand jobs in Florida, and you can multiply that across the country from Iowa, Minnesota, and Michigan, as the gentleman from Michigan [Mr. STUPAK] has indicated. It is going to have a devastating effect. People have to realize what is at stake here.

I yield to my colleague from Ohio [Mr. BROWN].

Mr. BROWN of Ohio. If the gentleman would yield just 30 seconds, it is not just with Mexico in agriculture that is a problem. It is also with Canada, particularly Canadian and American wheat.

NAFTA, in March Mickey Kantor, our Trade Representative, testified before the Senate Finance Committee on NAFTA. Senator DASCHLE of South Dakota made a statement and asked Trade Representative Kantor for a response. He said, "NAFTA would allow the Canadians to lock in their wheat subsidies and make it impossible for the United States to do anything about that lesser priced wheat."

And Kantor said simply, he threw up his arms and said, "We don't have a lot of options with regard to Canadian wheat."

That is the way that NAFTA is negotiating away our rights, negotiating away our ability to grow food, as the gentlewoman from Florida [Mrs. THURMAN] has said. It is one thing after another, with either the Canadians or the Mexicans on agriculture, that is going to devastate, as the gentleman from Michigan [Mr. STUPAK] said, our industrial economy and our agricultural economy. Whether it is wheat in the North or whether it is citrus in the South.

Mrs. THURMAN. I guess my biggest concern here, and I just hope that we get this point across, is that I do not want American citizens to become dependent on a foreign country for our food supply. I cannot emphasize that more, and that is what we are headed to. Because they can out compete us with all of these.

Mr. BONIOR. I thank my colleague for her contribution this evening. She has been a leader on this issue of agriculture and food safety and jobs for Floridians. I thank her for sharing her thoughts and views this evening. She has been a real champion on this issue.

I yield now to my distinguished colleague from Toledo, Ohio, Ms. KAPTUR,

who has been one of the leaders in this Congress to expose this fraudulent treaty. She is going to speak on an issue I think is important to all of us.

The gentlewoman from Ohio [Ms. KAPTUR].

Ms. KAPTUR. I thank the gentleman for yielding and join my colleagues this evening to continue a discussion very important to our country, not just theoretical, but very practical.

I would like to join with the gentlewoman from Florida [Mrs. THURMAN] whose concerns are agricultural as well as my own, which are both agricultural and industrial, and with other Members that are here, the gentleman from Ohio [Mr. BROWN], the gentleman from Michigan [Mr. STUPAK], and the gentleman from New Jersey [Mr. PALLONE].

□ 2010

Tonight I really want to tell a compelling story. We will be bringing these very real stories out over the next several weeks.

Once upon a time, there was a company called Trico which made windshield wipers like this one that I took off my Chevy Monte Carlo in Toledo, OH, and brought here to Washington.

Trico had a factory in Buffalo, NY, where they employed 2,100 hardworking Americans. These workers earned \$11 an hour, enough to support their families, educate their children and have something left over for retirement.

In 1987, Trico decided to move that factory to Matamoros, Mexico, moved out of New York, moved south of Brownsville, TX, down to Mexico.

Let me emphasize that when they did that, they then paid their Mexican workers not \$11 an hour but \$11 a day. They invested millions of dollars in building a new factory in Matamoros, and they hired 2,000 low-wage Mexican workers.

At the same time, they threw out of work 1,100 Americans who worked in Buffalo. Those families and their community paid the price of broken lives, broken homes and broken dreams.

I felt all along, through these discussions about the proposed treaty with Mexico and Canada, that it is as though there is an iron curtain that separates the United States and Mexico. We have to pull that curtain apart in order for the American public to really see what has happened.

Here tonight, I brought a picture I took myself down in Matamoros, Mexico, near the intersection of Ohio and Michigan Avenues in the FINSA Industrial Park in Matamoros.

This is the new Trico plant. It is so large, I had to put it up on two easels here tonight.

Here is a windshield wiper blade that I am holding, which is right over the main door of their company. It was very interesting for me to talk to the Members of Congress from the Buffalo

area, the gentleman from New York, Congressman LAFALCE and Congressman JACK QUINN, about the personal stories of families in Buffalo who had lost their jobs and, then, to look down here in Mexico and see what this major corporation had done.

I think the moral of this story, and there are 2,000 more United States companies, that, under the maquiladora program, have fled south of that curtain into Mexico. And we know very little, the American public knows very little about what is going on down there. But these policies have cost thousands and thousands of jobs here in our country, and I do not think we should expand on the mistakes of the past.

I just want to say this evening, I commend the gentleman, a true leader, not just in this Congress but in our country, the gentleman from Michigan, DAVE BONIOR, for permitting us to bring some of this information forward.

Mr. BONIOR. Mr. Speaker, I yield to the gentleman from Michigan [Mr. STUPAK].

Mr. STUPAK. What did you say these streets were in front of this plant?

Ms. KAPTUR. This intersection is called Ohio and Michigan Avenues.

Mr. STUPAK. Is that after the States they steal the jobs from?

Ms. KAPTUR. I think it is after the States they steal the jobs from, because if you look at this map, and you look at our region of the country, Ohio, Michigan, Indiana, Illinois, Wisconsin, Pennsylvania.

Mr. BONIOR. And California. Lots of jobs in California as well.

Mr. DREIER. Absolutely right.

Ms. KAPTUR. And these are only the 125 top cities from which jobs have. I am only talking about one company in one city that is located. There are over 2,000 such stories that we need to tell.

Mr. BONIOR. Mr. Speaker, I yield to the gentleman from California [Mr. DREIER].

Mr. DREIER. Mr. Speaker, I thank the gentleman for yielding to me.

I would simply like to make the following point. My friend from Toledo is absolutely right. There has been a tremendous flight of United States businesses to Mexico over the past several years.

The fact of the matter is, I believe the implementation of the North American Free-Trade Agreement is the best way to counter that move because many of those businesses that have moved to Mexico have done so for one basic reason: To take advantage of the 88 million consumers there as a market to utilize.

In fact, 70 percent of the business that is done by those operations that are American-owned that are in Mexico, they sell within Mexico. They do not stage from Mexico and sell back to the United States.

So I think you are absolutely right. Everything that you have said is cor-

rect. The best way to respond to that is for us to implement a North American Free-Trade Agreement.

Ms. KAPTUR. I would be very pleased to respond to that, because the sad fact is that none of the workers who work in this plant can afford to buy a car that has this windshield wiper on it. In fact, there are no parking lots around these plants because every single windshield wiper blade that is made there is put on a vehicle that comes back to the United States of America.

Mexican consumers are not buying these products. Every single thing that is manufactured in that plant comes back to the United States, and those consumers down there cannot afford to buy these products.

I think the gentleman is thinking that perhaps there is one theory that is operating here, but really what is happening is the loss of U.S. plants down there, taking advantage of cheap labor and then backdooring and transshipping those goods back into the United States.

Mr. DREIER. They will not need to do it any longer once we provide a zero tariff so they can sell into Mexico from the United States.

Mr. BONIOR. Mr. Speaker, I yield to the gentleman from New Jersey [Mr. PALLONE].

Mr. PALLONE. Mr. Speaker, I would like to thank our distinguished majority whip for giving me this opportunity to speak about an issue with severe implications for our Nation's economic health, and to salute him for his leadership in urging a sensible and cautious approach on the North American Free Trade Agreement. We speak tonight about the future of jobs in manufacturing and it is clear that the effects of the NAFTA will be disastrous in this area.

Like many of the other Members speaking tonight—and like the constituents whom I talk to in my central New Jersey district every week—I don't understand why we should be in such a rush to enact an agreement that is so full of loopholes, plagued by so many inequities and silent on so many crucial issues. My constituents ask me, why can't we put the brakes on this process? Why can't we just go back to the drawing board and come up with a framework that will protect U.S. interests and respect American law? The answer, of course, is that we can slow this process down, we can renegotiate, we can quit while we're ahead. I am joining with many of my colleagues in urging the President to hold off on submitting NAFTA implementing legislation, at least until we address some of our pressing domestic concerns such as health care reform. I hope that the President will heed this request, since I believe it will aid the administration in enacting its most important reform programs.

In the longer run, I would like to call on the administration to end the current futile exercise of negotiating supplemental accords with our trading partners on the grounds that the NAFTA is basically not fixable, and go back to square one and negotiate the accord. President Clinton ran on a platform of support in principle for free trade with our North American neighbors, but with grave reservations about how the specific provisions on labor standards and the environment would affect us in practice. Our Trade Representative, Mr. Kantor, has made a good faith effort to address some of these concerns, but it is now abundantly clear that this tinkering at the margins will not do any good. The fact is, severe problems written right into the Bush-Mulroney-Salinas NAFTA can't be improved or "classified" with supplemental deals, since it is not clear what weight the supplemental will have or how we could reconcile supplemental provisions that contradict the main agreement.

On the issue of import surges, the negotiations thus far have been a complete disappointment and I do not see any indications that this issue will be seriously pursued. Without protection against import surges, thousands of good-paying manufacturing jobs will be lost, particularly in the automotive industry. Companies operating in the United States would have too much incentive to shift production to Mexico to take advantage of the enormous wage differential between the two countries. For example, under the terms signed by President Bush, Mexico and Canada are allowed to maintain protections for their domestic automotive industries, through local sourcing requirements and incentives, but we have no comparable protections. As a matter of simple equity, the U.S. negotiators should insist on similar protections to make sure that this nation's automotive production and employment is not undermined by import surges.

On the issue of labor rights, the U.S. negotiators have discussed the notion of a supplemental accord on labor rights and standards. Unfortunately, these discussions seem to lead only to a commitment to enforce existing laws—in other words, there is no means to ensure that labor standards will be raised throughout North America. Much of the rhetoric surrounding the NAFTA has suggested that such basic rights as minimum wage, health and safety guarantees, free association and collective bargaining would continue to be protected in the United States and Canada, while being vastly improved in Mexico. This goal remains a far off dream under the proposals advanced by the U.S. team in the supplemental negotiations. And without such guarantees, it will be simply too easy and too cheap, to export jobs to Mexico

where lower labor standards and prevailing wages will keep production costs down.

The supplementals also go too easy on enforcing labor rights and standards. Using trade sanctions to enforce labor standards would be meaningful enforcement mechanism. Instead, what we have is a provision to use trade sanctions only when there has been a "persistent and unjustifiable pattern of non-enforcement," a standard so limited that it seems unlikely ever to be invoked. The original NAFTA has tough enforcement measures for violations of intellectual property rights. Why not the same tough standards for violations of labor rights? Again, one has to conclude that ongoing lax standards in Mexico will mean manufacturing jobs going south of the border.

Mr. Speaker, I know that many of my colleagues have cited the negative impact of NAFTA on the automobile manufacturing industry, and this is certainly an important concern in my district where we have a Ford assembly plant in Edison, N.J. But there are other key manufacturing sectors that are also severely threatened by NAFTA. One example I would like to cite here is the home appliance manufacturing industry. This so-called free trade agreement is, as anyone who has looked at its provisions knows, in fact riddled with all kinds of tariff disparities. The appliance manufacturing provisions are one of the most egregious examples. Currently one of our most successful industries, the home appliance industry would immediately eliminate U.S. tariffs on appliances imported from Mexico, while allowing Mexico a full decade to phase out its 20 percent tariffs on appliances manufactured in the United States. Perhaps the Mexican negotiators deserve credit for doing an effective job of giving Mexican-based plants such a competitive advantage. Clearly, negotiators on our side dropped the ball. Americans who have been sold on the idea of NAFTA as a free trade agreement to level the playing field would be shocked to learn that such basic inequities are written right into the agreement.

In closing, Mr. Speaker, I would like to draw attention to a detailed study conducted by the Washington-based Manufacturing Policy Project found that 173,000 manufacturing jobs in New Jersey could be vulnerable under the agreement—this at a time when our unemployment rate is already running higher than the national average. The ripple effect of this job loss, which could cause a drop in payroll of as much as a quarter of a trillion dollars nationwide, would be disastrous.

Mr. Speaker, it has become depressingly clear that NAFTA will facilitate the export of jobs south, while doing nothing to improve the lot of the Mexican workers. At this time of major dislocations in our domestic economy and

dramatic transitions in our place in the world economy, we should be addressing the challenges of reinvestment and retraining at home. Instead, under the lofty ideals of free trade and a more unified North American common market, we could end up with a decline in the living standards that we in the United States have worked so hard to establish, little or no improvement for the standard of living in Mexico and a steady deterioration of basic human, environmental and workers rights throughout this continent. I don't think this is the type of change that the American people have been seeking.

□ 2020

In closing, Mr. Speaker, I just would like to draw attention to a study I know that has already been mentioned by the Washington-based manufacturing policy project. It found that in my home State of New Jersey, 173,000 manufacturing jobs will be vulnerable under NAFTA, this at a time when our unemployment rate is already running higher than the national average.

The ripple effect of this job loss, which would cause a drop in payroll as much as a quarter of a trillion dollars nationwide, would be disastrous. I do not really think this is the type of change that the American people are seeking.

For this reason, I really feel that what the majority whip and the others are doing tonight is so important. I hope we continue.

Mr. BONIOR. I appreciate the contribution of my friend, the gentleman from New Jersey, and his sensitivity to the jobs of the workers of the great Garden State. We appreciate your contribution, and we look forward to working with you as we move toward a decision on this issue.

I yield to the gentlewoman from New York [Ms. VELAZQUEZ] for a comment on this issue.

Ms. VELAZQUEZ. Mr. Speaker, I thank the gentleman for yielding to me.

Mr. Speaker, I want to begin by thanking the distinguished majority whip, Mr. BONIOR, for calling this special order and, more importantly, for his notable leadership on this issue.

I want to address two recent developments that have dealt the North American Free-Trade Agreement deadly and well deserved blows. First, a few weeks ago, U.S. District Judge Charles Richey ruled in favor of requiring an environmental impact statement for NAFTA because of the serious environmental questions the treaty raises.

In his decision, Judge Richey stated that, "an impact statement is essential for providing Congress and the public with the information needed to assess the present and future environmental consequences of NAFTA." This decision is monumental for its requirement

of a much-needed study to assess the effects of NAFTA on the air we breathe, the water we drink, and the land we live on.

However, these prudent words also highlight one of the most intriguing factors about NAFTA; namely, that it is an enigma. This is a complex agreement, involving the complicated issue of international trade, which has been debated and argued by trade specialists and lawyers, but few Americans know exactly what the agreement contains and what it will do.

As a matter of fact, Judge Richey's words proved true shortly after his decision was announced. The New York Times recently reported that a poll revealed that "nearly half of all Americans have never even heard of the agreement." And I am afraid that those who have heard of the agreement, have heard the lies and inconsistencies promoted by a multimillion dollar advertising campaign paid by the pro-NAFTA lobby.

Mr. Speaker, how can this Government consider ratification of an unprecedented trade agreement that everyone agrees, opponents and proponents alike, will have a notable change in work conditions and economic production in this country without involving and informing those workers who will be most affected? The simple response is, it should not.

Mr. Speaker, I am certain that as the hard-working American public learns more about NAFTA, they will realize that this vampire of an agreement threatens to suck the blood, sweat, and wages of American workers. I am certain that as Americans learn more about this agreement, they will reject it outright and nail it shut in its coffin.

Again, I thank the gentleman from Michigan for calling this special order and for conducting this education session for the American public.

Mr. BONIOR. I thank my colleague, the gentlewoman from New York, for her passionate statement, and for her concern for the working people in her district and throughout this country. She is exactly right, this will suck out the life, blood, heart, and soul of the American working force, this agreement.

I just want to conclude by summing up in 2 minutes what we have heard tonight. A recent report has indicated that we could lose up to 40 percent of our jobs in textiles, in auto, in steel in this country if NAFTA goes through, 40 percent of these jobs. You can imagine what it will do to the areas that we are talking about: New York, Michigan, Ohio, New Jersey, Florida; devastation, devastation.

It is not just these jobs. When we lose jobs in these basic industries, we lose the grocery store, the gas station and attendant. We lose the infrastructure of a community.

Tonight we learned about agriculture and how many jobs it will cost and how much the food safety issue will be set back in terms of what the consumer movement and labor movement have done to make sure we have quality good food in this country, and the agricultural movement. I asked my colleagues tonight to look at this issue seriously.

If you are watching, let your Member of Congress know, let your Senator know how you feel on this issue. There is no more important issue that we will face in this Congress, perhaps with the exception of health care and reducing this budget deficit. Those two issues plus NAFTA make up what is core about this Congress.

If NAFTA goes through, I fear for our children's future, I fear for the economy of this country. If you feel passionately, as we do, about this issue, you can make a change. You can make the decision to stop this. There are a core of us in the Congress that feel deeply about this. We are strong in numbers. We are up against the people in the thousand dollar suits, the corporate elite, the Wall Street investors, the high-powered people in the media.

Stand with us so we can defeat this.

FULL DISCLOSURE IN THE POST OFFICE SCANDAL

Mr. DELAY. Mr. Speaker, I take this special order for many reasons, but to bring up the issue of the post office scandal that has hit this House. This started many years ago, but really started in earnest last year when we attempted to pass a resolution on the floor of this House that only failed by, I believe, correct me if I am wrong, about four votes, calling for full disclosure of all the materials and testimony taken by the Task Force on the Post Office, so that the American people can see for themselves what is going on in this House, who is responsible for the debacle at the post office.

I was disheartened to see, though, and let me parenthetically say that we did contact the majority leader's office just recently, just a while ago, letting him know that we would bring up his name and respond to the speech he gave.

It did outrage some of us that the majority leader came to the floor and gave an impassioned speech in support of his position of not full disclosure, and made some statements, and then would not yield to several of us that were on the floor that wanted to question the majority leader.

At the time the majority leader said there was no phone call by the Speaker to this U.S. attorney, if I am correct in quoting the majority leader. I might ask the gentleman the question, was there a phone call today between the Speaker and Janet Reno, the Attorney General, or anyone in the Justice Department regarding this matter of the post office scandal, subsequently followed by a letter from the acting U.S.

attorney requesting that the Speaker and the minority leader, BOB MICHEL, not pursue this because it may jeopardize the prosecution of criminal action by those being investigated and involved in the post office affair.

What really concerns me here is, No. 1, that they are hiding behind the issue of "we are going to mess up the prosecution." I am no lawyer in this, but I can tell the Members that, first off, all testimony taken by the task force were not the testimonies given with anything in return, like immunity or other protection, to the witnesses, so that will not harm the prosecution. Everyone that testified, except for one, the Postmaster, who just pled guilty to lying to Congress, was put under oath. All the other witnesses that testified before the task force did say, or were told at the time, that they had better tell the truth to Congress or they could be held in perjury.

In talking to former prosecutors that are now Members of the House and other lawyers, that has nothing to do, that will have nothing to do in jeopardizing the case of the prosecutor.

Secondly, all the material we are calling for is just plain old paper material that can be disclosed to the press and to the American people about what went on in that post office, vouchers and other paper that was generated. We feel, whether it was generated out of the U.S. attorney's office or came because of pressure from the Speaker and the Democrat leadership, whatever reason we got that letter, it was very convenient to get that letter at a time when we were about to offer a resolution on the floor calling for full disclosure of this matter.

□ 2030

Now we are going to have that resolution brought to the floor tomorrow, and we are going to have a full debate and a vote on whether to disclose this matter to the American people.

Mr. WALKER. Mr. Speaker, will the gentleman yield?

Mr. DELAY. I am glad to yield to the gentleman from Pennsylvania.

Mr. WALKER. I thank the gentleman for yielding because I think he has framed the issue raised by the majority leader very well.

The majority leader came out and obviously read this letter with a great deal of vigor. It is obviously a part of their strategy now to attempt to prevent any resolution from being passed in the House by using this letter from the U.S. attorney.

The majority leader said in the course of his remarks that there had been no conversation between the U.S. attorney and the Speaker. I believe that to be absolutely correct. I think that direct statement is in fact a factual statement by the majority leader.

That was not the contention of this gentleman who raised the issue on the

floor before. What I said at the time was that officials at the Justice Department had talked to the Speaker prior to that letter being generated. I believe the conversation to have been one between the Attorney General and the Speaker, and that the letter was generated subsequent to that particular conversation.

So it is a matter of some semantics here, but they are fairly important semantics, because if in fact a conversation took place relative to this subject between the Attorney General, and then all of a sudden we get this letter, which by evening becomes an intricate part of the strategy being used to stop the resolution from coming to the floor, I think that there is at least a *prima facie* case that there may be some conversations going on behind the scenes that are then reflected in the battle on the floor. And that is the reason why I think that there is some reason to exercise some caution about that letter, because as the gentleman has pointed out, and I think with good cause, the fact is that sitting in a room this afternoon the two of us, with people who were prosecutors, there was general agreement in the room that unless immunity was granted to the people who testified as a part of that process, there was nothing in those records that could jeopardize a prosecution. There was absolutely no immunity granted to anyone at any point during that particular proceeding, and so there is nothing there that can jeopardize a prosecution.

So, therefore, the contention that there is something that could jeopardize a prosecution does tend to be something that may be more of a political way of dealing with this issue on the House floor than it is a real way of assuring that a criminal prosecution goes forward.

I thank the gentleman for yielding.

Mr. DELAY. I yield to the gentleman from Pennsylvania [Mr. SANTORUM].

Mr. SANTORUM. I thank the gentleman for yielding.

I think this orchestration is continuing. I was on "Crossfire" this evening. One of the members of the Ways and Means Committee indicated to me that the Speaker in fact has promptly responded to the letter sent by the U.S. attorney saying that they would be willing to release documents to the U.S. attorney's office. Again, this was a Member who said this on television, that they would be willing to release these documents to the public once the U.S. attorney had gone through and picked out all of the information that they thought might be jeopardizing to a prosecution.

This seems to be very, very orchestrated. The letter from the U.S. attorney's office and the letter promptly back, that we have not seen, frankly do not know it for a certainty, only know it from anecdotal information from a

member of the leadership, so I think it was a very orchestrated thing. And as my colleague from Pennsylvania, Mr. WALKER, said, the three main players in the post office, Mr. Rota who admitted by pleading guilty that his testimony before the House Administration Committee was perjury, so we can discount that statement, and the other two main people in the post office pleaded the fifth. So we have no information from any of the three top officials. How can the remaining information be that serious in jeopardizing future prosecutions?

So I think there is a lot of smoke and mirrors going on here, a lot of delaying tactics, because we have a lot of very important legislation to do over the next couple of weeks, and they do not want this thing to be distracting from the business at hand, at least from their business at hand, while I think the public is demanding that this information come forward.

I would say one other thing, and maybe the gentleman from Indiana knows this. At least it is my understanding that in none of the transcripts of the House Administration hearings were names of Congressmen mentioned, so that any divulgence of this information would not tend to incriminate anyone, because my understanding is that no names were put forward.

Is that accurate? Does anybody have that information?

Mr. DELAY. Congressman A and Congressman B.

Mr. SANTORUM. What I am suggesting is even under the closed door hearings there were no names mentioned. So this in no way is going to further implicate anyone in this scandal by divulging this information.

Mr. DELAY. I might remind the gentleman that the Justice Department themselves released information that allowed the press to hook up, albeit maybe circumstantial, Congressman A and Congressman B with some vouchers that came out of the post office.

Mr. SANTORUM. It is leaving these people waving in the wind, and I think unjustifiably so. I mean, if there is this kind of an implication going on, I think it is in their best interests to clear their names, in a sense to make sure, because you know, I come from southeastern Pennsylvania, and one of the people implicated is a former Member who had an adjoining district to mine. I mean there are serious problems here with the way this is being handled by the U.S. attorney's office. If you want to talk about hanging people out to dry, this Congressman A and Congressman B is hanging Members out to dry, and implicating virtually everybody in this House with this taint of scandal.

I would like to comment on one additional thing. I think it is very important that the record is clear on the

consistent mentality of the leadership, the Democratic leadership of this House in dealing with any question about how they run this place. Any time a question is raised as to the way they administer this House of Representatives, it is a siege mentality. They bolt the doors, they push the furniture in front of the door, and you can pound away, and all you hear from behind the door is, "Nobody's home."

Well, there is somebody home. There is somebody home and the American people have a right to walk through those doors and find out what is going on in the people's House. And we should not accept little messages slid underneath the door saying, you know, we will give you this today, and, you know, we will spoon-feed you this the way we want to spin it. They tried it in the House bank scandal and it blew up in their face. You would think they would have learned a lesson. They tried it in the restaurant scandal, they tried it on the slush fund, and now they are trying it on this. And my guess is that they are going to try it on the Speaker's investment habits, and they are going to try it every step of the way to stonewall any question of impropriety when it is in their interest, long-term interest and short-term interest to just let the public know what they have a right to know, what is going on in the people's House.

Mr. DELAY. If I may, I was reminded by the gentleman from Pennsylvania that, Mr. Speaker, in order for good TV you always reiterate the issue. If I could just take a second, what we are talking about is almost 20 years of misuse of the post office.

There was found to be drug dealing by employees of the post office. There was found to be certain Members and certain staff taking campaign contribution checks to the post office and cashing those checks at the post office. There was found to be an exchange of stamps. I think the way it was was that you bought stamps with office supply money, and then went back to the post office and turned them in for cash. And there has always been allegations of covering up this entire operation, including the most recent operation, and that is what we are talking about here, is that we feel like there could possibly be a coverup here. We feel like that there could possibly be Congressmen that have been involved in this scandal, and there are a lot of questions out there that can be answered if we would open the doors and let the sunshine in, and let the American people see what is going on.

Mr. Speaker, I yield to the gentleman from Indiana, Mr. BURTON.

Mr. BURTON of Indiana. I am going to be very brief. But during the previous hour special order and discussion, debate, if you will, there were a lot of Members who were very indignant and said that we were accusing Members, unjustly, of trying to cover this up.

I would like to go back to the RECORD of July 22, 1 year ago tomorrow, July 22, 1992.

□ 2040

House Resolution 519, introduced by the gentleman from North Carolina [Mr. ROSE], this resolution was a motion to table, kill, a privileged resolution introduced by the gentleman from California [Mr. THOMAS], which directed the ethics committee to conduct an investigation into confidentiality violations during the House Administration task force investigation.

This is a party-line vote. The Democrats stopped the gentleman from California [Mr. THOMAS] on a party-line vote from getting the ethics committee to conduct a full-fledged investigation into these violations.

Then right after that on July 22, 1992, 1 year ago tomorrow, House Resolution 520, the gentleman from Pennsylvania [Mr. WALKER], a motion was introduced by the gentleman from North Carolina [Mr. ROSE], to kill an amendment offered by the gentleman from Pennsylvania [Mr. WALKER], which directed the Committee on House Administration to make public all transcripts of proceedings of the task force leading to its final report.

That was defeated almost on a party-line vote, because they did not want that report to be made public.

And then 1 day later, 2 days from now, 1 year ago, House Resolution 526, after the gentleman from Pennsylvania [Mr. WALKER] took a privileged resolution directing the committee to make public all records, the gentleman from Wisconsin [Mr. KLECZKA], a Democrat, introduced a motion to kill the resolution, and adopted 223 to 196 on a close to party-line vote.

For anybody to say that they have not tried to keep a lid on this, to sweep it under the rug, is simply not paying attention to the record. All Americans have to do, all our colleagues have to do is look at the record, and they see there has been a clear attempt to cover this up.

Now we are on the verge of a major scandal. The press is not going to let this go away.

I say to my colleagues once more on both sides of the aisle, let us get this out in the open. Let us make it public and get it over with.

Mr. DELAY. For the sake of the institution.

I yield to the gentleman from Michigan [Mr. SMITH].

Mr. SMITH of Michigan. I thank the gentleman very much for yielding.

I would like to comment on the letter that was sent over today by the Attorney General's Office, a Mr. J. Ramsey Johnson, allegedly after the Speaker of this House of Representatives of the U.S. Congress made a call to the Justice Department, sent this letter over, and if I could just quote

part of that letter where he asked that this information not be released and not be available to the American people.

The letter says:

After completing its review in July of last year, the congressional task force concluded that many of the materials that it had collected or generated, including deposition interview transcripts and tapes, ought to remain confidential.

So here is the U.S. Congress deciding that they want the investigation about themselves to be confidential. Well, I am a Member of the freshman class from Michigan. There are 114 of us, and I think every one of us wants to clean up Congress so this kind of situation is cleared up, cleaned up, and does not happen again.

Several other freshman Republicans decided to send back a letter to Janet Reno, Attorney General of the United States, and I would like to read that letter that we sent:

DEAR MADAM ATTORNEY GENERAL: We, the undersigned Freshmen Class Members of the 103d Congress, request that you personally take charge of the House Post Office investigation involving Members of the U.S. Congress.

It is important that the U.S. Department of Justice remain above the suspicion of politics in this matter. To withhold information from the American people and to delay possible criminal indictments of Members of Congress until after the conclusion of the conference on the reconciliation bill would send an alarming signal to the American people of possible collusion and political compromises within the Justice Department. The conference committee is writing the largest tax increase in history. There should be no conferees on that committee that will be under indictment for criminal misuse of tax dollars.

It is signed by 15 Members that were there this afternoon of our Republican freshman class.

You know, I am not personally interested in a \$10,000 fine or a \$50,000 fine.

It seems important that we do what is very important to make this a respectable body of the U.S. Government and a Congress that people can have confidence in, and that is to get everything on the table, look at it and decide how we are going to clean it up.

Mr. DELAY. I really appreciate the gentleman from Michigan and what he says, and I want to congratulate him along with other freshman Republicans, freshman Republicans, because I have heard not a word from freshman Democrats about this matter, that took it upon themselves even though they did not have the institutional knowledge of what was going on. They understood this was not good for the House, it was not good for the institution of the House, it was not good for the American people, and grasped this issue very quickly, learned what was going on, were absolutely astonished at what has been happening over the last 20 years in the post office of this House, and are joining all of us, in fact

leading the way to call for full disclosure of everything and all materials in this House.

I will be glad to yield to another very active freshman of the Republican conference who understands what an open and honest institution means to the people of this country.

Mr. HOEKSTRA. I thank my colleague, the gentleman from Texas, for yielding.

I think it is important to talk about what the chronology of events is. This started back on April 26, 1991, post office employee Edward Polk steals more than \$6,000 and flees to Puerto Rico; late June 1991, Speaker FOLEY, according to Ross' testimony, is informed of the thefts and the Democratic recommendation to formally transfer the investigation. It goes on and on for four pages of dates, different kinds of activities.

This week in the paper, former House Postmaster pleads guilty to helping lawmakers embezzle cash; former Postmaster for House pleads guilty in scandal. I mean, the stories go on and on and on.

We are now back on the front page.

What happened? Mr. Rota admits that he gave several House Members cash for postage vouchers during his two decades in the House. This is not an experience of 12 months or 24 months or one term of Congress. This is a process that has gone on for over two decades.

He pleaded guilty Monday to three misdemeanors and agreed to cooperate with Federal investigators. The Speaker of the House is quoted as saying, "Well, obviously I am surprised by the extent of them and distressed by them." The article goes on that almost exactly a year ago the House twice defeated GOP-sponsored amendments to release the investigative documents, 207 to 200. We almost got there in the last term of Congress, and I think tomorrow, hopefully with the help of the Democratic freshmen, we can get the full disclosure of what is going on in this institution.

Now, there is a lot of talk about we have got to get this other legislation behind us; we have got to get the reconciliation package; we are working on a lot of important bills.

There is nothing more important for this House to be working on, for the Members of this House to be working on, than restoring the trust of the people in the House of Representatives. This is the people's House, but only 19 percent of the people believe we are doing a good job. How can they trust us with the reconciliation package? How can they trust us to go after health care reform when we continue to have this cloud hanging over our heads?

You have been here longer than I have. What can we do and what can the American people do to help us get full exposure of these issues?

Mr. DELAY. Well, obviously as the gentleman knows, Mr. Speaker, this resolution is coming tomorrow, that, Mr. Speaker, we will be voting on that resolution tomorrow for full disclosure of all the materials that pertain to this affair, and, Mr. Speaker, I think the American people could call their Congressman to urge their Congressman to vote for the Michel resolution calling for full disclosure of the post office affair.

This is one way that the American people can demand openness and honesty and fairness in this House and demand that there will not be a partisan nature to this operation.

We are not here to destroy the institution. We are here to rebuild the institution from misuse and abuse by those that have been in power for over 40 years.

I yield to the gentleman.

Mr. HOEKSTRA. I cannot agree with the gentleman more. I am sure that over the next few days, and we have heard it before over the last few months, that you are here to destroy the institution by tearing it down, by pointing out its faults.

I can tell you within the Republican freshman class, the 48 new Members, we have one objective, and that is to build the integrity of this House, to clean the House, to build the integrity, to restore trust in this organization, and the only way to do it is to deal openly, honestly, and aggressively with issues like this so that the American people can come back and say finally, finally after two decades of these types of things, and, you know, it has been a pattern of one after another. It is time, I think, for a lot of reforms, but the first reform is to really aggressively deal with this issue and get it behind us as quickly as possible.

The first step is the step we are going to take tomorrow when hopefully this House will vote for full disclosure.

Mr. DELAY. I appreciate the remarks of the gentleman.

Does the gentleman have something on this issue?

Mr. SANTORUM. If the gentleman will yield, I just wanted to follow up on the gentleman's comment that, as a freshman Member, he is going to be told that he is here to try to tear down the institution.

As someone who has many battle scars from debates on this floor and from debates outside of this floor and people accusing him of trying to tear down the institution, this is a great institution.

□ 2050

This is a great institution. This is the people's house, and it works its will in wondrous ways. But what goes on administratively in this House has really been a black eye to this institution in the American public's eye. And you do not, you do not solve that prob-

lem by just putting makeup over the black eye. You have to solve the problem by doing something positive, by going out there and defending the institution and saying, "Listen, we can police ourselves, we can open our doors, we will let the public know what is going on. We are not going to continue to fight to keep the power and to keep all the little perks and privileges closely held to the vest. We are going to let the public know."

As much and as bad as the post office was administered, not only from the reports of both the majority and the minority—that is apparent—and obviously, with eight convictions, it is very apparent—as bad as that was, the problem here really lies with the continued stonewalling and covering up, with the Speaker's office knowing fully 1 year, or almost 1 year, 10 months, 10 months they knew of the problems in the post office. For 10 months they stopped an investigation by the Capitol Police for at least 6 weeks, causing the resignation of the chief of the Capitol Police in the summer of 1991. And they held onto all of that information in the little sacred chamber back there. They did not let the Republicans know. Frankly, they did not let 99 percent of the Democrats know all of what was going on in the investigation by not only the Capitol Police but the Postal Service and the U.S. attorney's office, which was an ongoing investigation of corruption. And the practice has continued all during this time.

By the way, just to put it in context for the freshmen, this was going on in the midst of the House bank scandal. In the midst of the House bank scandal, this stonewalling is going on. They are stonewalling the disclosure of names on the bank scandal, at the same time they are hiding an ongoing investigation in the post office, that there was certain criminal activity occurring. It was not until one of the newspapers here in town published an article that any of us became aware of what was going on, and that was back in late January, early February of 1992.

That is how bad, that to me is almost the bigger crime. You can almost fathom that this post office was just a patronage, somewhat of a cesspool that was mismanaged and you had people who did not really know what was going on, it was poorly run, very bad management controls, and as a result things got out of hand.

OK, maybe we are guilty of bad management, fine. But when you have a deliberate, conscious coverup, which is exactly what was going on, withholding information from the Congress, both sides of the aisle, plus trying to scare the investigatory authorities away from the post office, when that happens, that is a serious problem in this House. That to me is much bigger, much bigger than the alleged activities, or actually certain activities of

what was going on in the post office. At what is the highest levels of the House of Representatives, we are holding back from the American public what was going on, that is a big problem.

Mr. DELAY. Very well put. I appreciate the gentleman from Pennsylvania, who is a stalwart on these issues, was a member of the Gang of Seven that pursued the bank scandal. We appreciate his efforts and understand that he is trying to rebuild this institution.

I will be glad to yield to the gentleman from California.

Mr. BAKER of California. I thank the gentleman for yielding.

Sometimes when you make omelettes, you have to break eggs. We are certainly not here to demean the beauty and historic character of this House. But we have been under a cloud of scandal for the last 3 or 4 years. We first had a book publishing scandal, then we rolled into a banking scandal, we had a post office scandal.

Mr. DELAY. We had a Speaker resign, if I may interrupt the gentleman.

Mr. BAKER of California. Right in the middle, one Speaker resigned.

Today, without even a vacancy in the speakership, you can see the rustling and the positioning and people actually announcing for a job that is not even vacant. So, we know there is more to come.

But I was amused by their coming here and trying to whitewash this situation, saying, "If you will just give us time, the truth will out." Well, the only reason that the truth will out is because their employee copped a plea to conspiracy and copped a plea that he had been lying and perjured himself in front of two investigative committees. And the two reports, the Republican report and the Democrat report, to which one of the chairman tonight on the Democratic side admitted that they did not know they were being lied to by their own employees. So, apparently, the two reports now are not worth the paper they are written on.

What we are asking, since this gentleman admitted there was a conspiracy—and he could not conspire with himself—that there were two Congressmen, John Doe's, named congressman A and congressman B involved, what we want to know is when are we going to get the truth? When is the public going to learn whether there was any wrongdoing in the House post office? When are the rest of us, the other 433 Members who are not involved in the post office scandal, going to have our names cleared?

That was not being given to us tonight as we were being heckled as we discussed this subject by members of the majority party who think that the longer they can put this off the more hope they have to covering this up. It is not going to go away. The press has

the vouchers, the press has compared the vouchers. Everybody knows but the American people.

Is it any wonder there is a Ross Perot movement emulating from the State of Texas? Is there any wonder that people get the feeling they have no confidence in their Government? And we turn around and tell them that the Democrat majority is going to raise your taxes, "Trust us, we are going to lower the debt." After that did not happen in 1990 or 1982 or 1986? No, the public has no confidence in us. I will be happy to yield back to the gentleman from Texas. I appreciate his bringing this up. But we have to have the truth in order to restore confidence in this fine institution.

Mr. DELAY. Let me say that the gentleman from California is a real trooper. He has been here a short period of time and has already distinguished himself in the fact that he has brought truth and uprightness and openness and sunshine in this House. We appreciate the efforts that he has made.

I will turn back to the gentleman from Michigan.

Mr. HOEKSTRA. I just have one comment.

I am not at all surprised to hear we are using the word "stonewalling."

What we are seeing in terms of this scandal is the same thing we are seeing on the legislative agenda that I think the American people want us to be talking about. But this House and this Congress will not debate term limits, most likely will not even come up for a vote on the floor of this House; we are not being given the opportunity to talk about a balanced budget amendment, a true balanced budget amendment, and we will not even have the opportunity to vote on a true line item veto. So, what we are seeing here and dealing with scandal in the House is the same thing that we are seeing on legislative issues day after day after day, politics as usual.

I do not think that is what the freshman class was elected here to do. We are going to continue fighting for change.

Mr. DELAY. I appreciate the gentleman finishing up this special order with that comment, because he is dead on. It is not just the scandal that we are talking about, the bank scandal, the restaurant scandal, and now the post office scandal. It is a scandal the way legislation is handled here in the world's greatest deliberative body when we do not have open rules where we can offer amendments or even full flowing debate, that we are cut off from having debate because they are scared to death, through the arrogance of having power for so many years, to open up this House and let the deliberative body be the body it was designed to be. The gentleman so aptly put it: What is happening here is an arrogance of power because they have been in power for so long.

You know, when I campaigned last year, I called on the American people to send one party to Washington to be in power, one party in the White House and one party that controls Congress. I was hoping for a different result. But I think what you are going to finally find out with one party being in charge and being the majority party for so many years in this Federal Government, that that arrogance of power will be their doom because they do not trust the American people to make up their own minds about legislation or scandals. They do not want to bring sunshine into this Chamber to reveal what is going on in this House so that the American people can choose what is right and wrong and what they want for their future.

I just really appreciate the gentleman finishing this special order, bringing it all together and understanding that it is not just the scandal but it is also legislation.

If the gentleman from California has nothing else to say—

Mr. BAKER of California. I think we have run out of time. But I did want to mention that the gentleman from Ohio, MARTIN HOKE, just entered this Chamber.

Let me say that the firing of the prosecutor set a bad tone to this. The sooner we clean it up, the sooner all of us are going to have restored to this House its good name.

The SPEAKER pro tempore. The time of the gentleman from Texas [Mr. DELAY] has expired.

□ 2100

BUDGET RECONCILIATION

The SPEAKER pro tempore. (Mr. FINGERHUT). Under a previous order of the House, the gentleman from Oregon [Mr. KOPETSKI] is recognized for 60 minutes.

Mr. KOPETSKI. Mr. Speaker, under a previous collegial agreement among the Members this evening, I yield to the gentleman from Texas [Mr. DELAY].

Mr. DELAY. Mr. Speaker, the gentleman from Ohio [Mr. HOKE] has come a long way. If we can just let him speak, I think we will be through. I appreciate the graciousness of the gentleman from Oregon.

Mr. KOPETSKI. Mr. Speaker, I yield to the gentleman from Ohio [Mr. HOKE].

DISCLOSURE ON HOUSE POST OFFICE SCANDAL

Mr. HOKE. Mr. Speaker, I appreciate the gentleman from Oregon yielding to me.

As a matter of fact, I came because frankly I was just across the street at home beginning to relax for the evening and because my own presence here in this House is so intimately related to the events that the gentleman has been discussing. I was at home, I

was watching C-SPAN and I said, "You know, I cannot not become involved in this discussion."

It is a fact that the person whom I defeated was the chairperson of the Subcommittee on Police and Personnel, and that is the only reason that I find myself in this House today, because that person had the oversight responsibility, not only for the House post office, but also for the House Bank.

I felt motivated to come over here today because in northeastern Ohio, in greater Cleveland on the west side, this is a subject that people know a great deal about and are extremely concerned about.

There is never a time that I go back to Cleveland every weekend when I am there at a town hall meeting, at a meeting of labor people, at a meeting of business people, the question always comes up inevitably, "What is going on with the House post office investigation? What are you doing? Why isn't it completed? What resolution will you come to?"

That is why I felt called to come over here and to say that there is no question that tomorrow I hope that all those who would in fact reform this House would come together and vote aye, vote in favor of the privileged resolution, the special resolution for complete and full and immediate disclosure of all the documentation, all the testamentary evidence, all the evidence that exists at this time. It has been handed over to the Justice Department, handed over to the Ethics Committee, to have it fully and completely disclosed. It is time, we must do it. The people demand it.

Those people who are most completely and thoroughly and intimately knowledgeable about this situation, and I can tell you that those in northeastern Ohio in greater Cleveland are as knowledgeable about this as any group of constituents in this country. They are demanding that kind of disclosure.

Mr. DELAY. Mr. Speaker, if the gentleman will yield further, I just want to congratulate the gentleman because probably the gentleman from Ohio who did defeat the gentlewoman from Ohio who was tainted by this whole scandal probably understands it better than any Member of this House, because in a hot campaign a lot of things are disclosed and a lot of questions are asked.

Unfortunately, we do not seem to get that heat in this Chamber so that we can also get answers to the questions that we are asking.

Hopefully, at the passage of the resolution tomorrow, we will get answers to those questions and the gentleman can go back to his district in Ohio and report to his constituents that the House is being cleaned up.

Mr. BAKER of California. Mr. Speaker, if the gentleman will yield further,

I would like to thank the gentleman from Oregon [Mr. KOPETSKI] for yielding and the courtesy he has shown us, and to the Speaker for the courtesy of the Chair this evening.

Mr. KOPETSKI. Mr. Speaker, in response to some of the statements that were previously made about the postal investigation, I think it suffices to say, yes, the House will continue the debate on this matter tomorrow. The American people should think first before they react to any of the statements made this evening in this special order segment.

Yes, there were problems with the House post office, serious problems, no doubt about it.

The facts show, however, that never was there or is there any kind of a coverup by anyone in this House on the postal matter or any other matter in this case.

The fact is there is a grand jury investigation currently underway being aggressively pursued and that we in the House must act very carefully and cautiously in whatever we do tomorrow or we could compromise this investigation.

The U.S. attorney in charge of this investigation has requested to the House in a letter dated July 21, 1993, today, that the House not release the material in question. I know special prosecutors. I know U.S. attorneys. I know they are very aggressive and I know they like to win. I am certain that this letter was written in the spirit of their being able to aggressively and competently finish this investigation and bring in the indictments of anybody. This is serious business. There is no doubt about it.

Mr. Speaker, I will include at this point the letter from J. Ramsey Johnson, the U.S. attorney to Speaker FOLEY and ROBERT MICHEL, the minority leader.

DEPARTMENT OF JUSTICE,
U.S. ATTORNEY,
Washington, DC, July 21, 1993.

HON. THOMAS S. FOLEY,
Speaker, House of Representatives,
Washington, DC.

HON. ROBERT H. MICHEL,
Minority Leader, House of Representatives,
Washington, DC.

DEAR MR. SPEAKER AND CONGRESSMAN MICHEL: We have been advised that the House of Representatives may be considering the public release of previously confidential materials generated during the inquiry conducted last year by the Task Force to Investigate the Operation and Management of the House Post Office. I am writing to express this Office's serious concern that the release of such materials could have a significant adverse effect on the ongoing criminal investigation being conducted by this Office into matters associated with the House Post Office. Accordingly, I ask you not to authorize the release of such materials.

Last year, this Office endeavored to work cooperatively with the Task Force, so as to enable the Task Force to conduct its mandated operations-and-management review of the Post Office, without invading the integ-

rity of the criminal investigation. After completing its review in July of last year, the Task Force prudently concluded that many of the materials that it had collected or generated—including deposition and interview transcripts and tapes—ought to remain confidential, in part because the publication of such materials posed a significant potential to compromise the ongoing grand jury investigation. That potential remains today. The investigation is continuing, and inevitably involves many of the same witnesses and transactions that the Task Force inquiry included.

For these reasons, I strongly request that the House refrain from releasing additional materials generated by the Task Force inquiry.

Sincerely,

J. RAMSEY JOHNSON,
U.S. Attorney.

Mr. KOPETSKI. Mr. Speaker, I do want to read one sentence from it. It does say:

I am writing to express this Office's serious concern that the release of such materials could have a significant adverse effect on the ongoing criminal investigation being conducted by this office into matters associated with the House post office.

Mr. Speaker, there are other serious issues before the House, no doubt about it, the state of the economy, the effect on small businesses, the great generators of jobs in this country, is in question. The President has taken bold leadership to address these problems in our economy, specifically centering on the deficit, specifically centering on budget cuts at the Federal level, and also to try to stimulate the economy and provide some relief and help and incentive to our small businesses in this country.

For this remaining hour, Members have put together some thoughts on the President's reconciliation bill and why there are parts and provisions of it that are important to the small businesses in this country.

Mr. Speaker, I yield to my colleague, the gentlewoman from Florida [Mrs. THURMAN].

Mrs. THURMAN. Mr. Speaker, I would like to thank the gentleman from Oregon for yielding to me, and certainly to let the gentleman know from many of us that we appreciate the gentleman taking the time this evening to get another message out, because we know there has been a different message that the American public has heard. I think it is important that they hear another side.

I specifically am going to try to integrate a couple of ideas that I have worked on over the years, but as I see this package in the budget reconciliation, helping us come to some final conclusions that I think are going to make businesses stronger, provide jobs and do some things that this country has needed over the last 12 years.

I am going to come back to these at the end, but I am hoping that as I go through this scenario with you that we understand how this particular issue is

pertinent to the package that we hope will happen in the House. That really has to do with some of the issues that are in the budget reconciliation, specifically looking at three areas, the increase in deductions for small businesses and new equipment, creating capital gains exclusion for certain small business stock, and one that I just feel so strongly about and that is making permanent what has been not permanent over the last several years, and that is the issue of about a 20-percent tax credit to businesses that are increasing their research expenditures and development. I just cannot tell you how important that is to this country and its future.

□ 2110

I want to tell my colleagues that I think for years the United States, and I think we have all heard these stories, have been in the forefront of an effort to invent new products, but for some reason, and I think some of it had to do with defense, but for whatever reason we did the research, but we did not do the development. We forgot how to get development out there. We forgot how to manufacture and put what we had learned in research to work.

Mr. Speaker, the perfect example of that was the VCR. The technology is American, but the money and the jobs were foreign, and now I think we even have a greater challenge facing the world. We have something that I am going to refer to as environmental restoration, and I think this area should provide us with a large segment of jobs that we are going to need in the 21st century, and yet I think once again that we have failed in ignoring the potential lucrative opportunities that are available for this country, except that now I think we have a President that has recognized this, and I am going to tell my colleagues a story, and I think this really sums it up.

A couple of months ago, or several months ago, I had an opportunity in my office to view a tape that had run on CNN, and it was a report on a pilot environmental cleanup project that actually was taking place in Florida at Tyndall Air Force Base. I think my colleagues will see the ramifications of this, especially with base closures and what we are finding with some waste and stuff, but the project was utilizing, and a lot of people do not know this, solar radiation to clean up groundwater that was polluted from jet fuel and lubricants, and the project also could clean up wastewater from industry, and to give some examples, the product process would be used to clean up wastewater from textiles, pulp and paper, and chemicals, and the process, we think and we believe, could reduce the cost of environmental compliance and make our companies more competitive. This process, and I am going to try to get these words right because

I am not the scientist in all this, is catalytic processing using titanium oxide, and the catalyst is readily available in abundance. Actually, I do not know whether I should tell my colleagues this, but it actually is found in our toothpaste, and I found this out during some of the conversations that I have had. We have known about this science for years, but the technology only recently was developed by the University of Florida which is forming a regional alliance to commercialize the technology.

Now what was interesting about this tape was it first showed us how solar energy would be utilized to improve the environment, but what really struck me and why I bring this up was because I was sitting at my desk, I turned the tape on, I listened to the report, I let the tape run a little bit after, you know, how you kind of let it run, and do my colleagues know that right after it had been done to the American public in English, it was then translated into Japanese? So, the same commentators on this tape were telling the same story to the Japanese Government and to the Japanese public, and I thought, OK, here we go again. We have got this great idea, this new product, this new technology, issues that could take us into the 21st century, and what happens but I am seeing it go to the same country that we have been competing in these areas with for years.

Well, Mr. Speaker, I naturally became a little concerned about it, realizing that that same information was being received. My questions through this are: Will we be seeing a repeat of the VCR situation? Will the Americans who pioneered this technology fail to find the funds that they need to develop the product? Will Americans who could have been employed in the manufacturing end and the application procedure of this technology fail to see these jobs because some foreign competitor purchases or licenses the patent and takes offshore the jobs and the technology overseas—and then sells it back to us at ridiculous prices?

Mr. Speaker, let me tell my colleagues that already somebody at MITI, or a European counterpart, already has reviewed this story and decided to target environmental technology as the computer chip or VCR technology of the 21st century, but, because new technology takes time and effort, we in the land of instant gratification may ignore the potential that new technology and thousands of skilled and yet employed workers and engineers present. I believe that new, innovative technology means jobs for Americans if only the inventors could receive that seed money or incentive that would be necessary for proper development and marketing of the technology. Those jobs put people to work here and keep people working, and we

can sell our goods overseas. If private industry does not quite see the light, should the Government provide an extra incentive to keep the work alive in this country?

We need to provide real capital assistance and employment incentives to new technology. For years, I have called for more attention to be paid to alternative fuels, especially solar energy. The sun is free; it does not pollute our air; it is virtually inexhaustible, but, more importantly, I believe solar energy is an economic winner for this country. Our studies showed that we could create more than 375,000 jobs over the next 20 years just by removing market barriers to solar and other renewable energy sources. The potential for overseas sales of solar equipment and for domestic employment to make those products is huge. The world market for solar thermal equipment is growing by 26 percent annually. Yet, we in the United States rank last where once we ranked first among seven major trading nations in the resources committed to export promotion of renewable energy technologies. The world market for solar equipment is growing at 20 percent, but the U.S. share of that over the last several years has gone down 65 percent a decade ago to 35 percent today.

I fear that we missed a golden opportunity to improve our economic growth by not focusing sufficient attention on new technology development. Fortunately, I believe the situation is improving with this administration. The House passed the National Competitiveness Act. The House reconciliation bill contains again, and I want to go back to these because I think these are so important in the programs that I have just discussed, and I do not want them forgotten. We have looked at increasing the deduction for small businesses and new equipment, creating capital gains exclusion for certain small business stock and again making permanent the 20-percent tax credit to businesses that increase research expenditures, and I am going to end with one statement:

When I ran for Congress, Mr. Speaker, we sometimes go to experts and people within our communities, and we ask them to give us advice, and I went to a dear old friend who I had worked with on a city council because he was our auditor there. I knew him from the time that I was in the State senate, had kept in touch with him, and I called him, and I said, Mike, I really need to ask you something. If you were to tell me what would be two things that you would do to help this country and small businesses, what would they be?

And he said, "I would go back to giving incentives for capital outlay for small businesses so they could stay competitive, and I would provide employment incentives." He said, "Those

two things, when we changed the 1986 Tax Code, have been the downfall of our small businesses."

I think this particular budget reconciliation has addressed at least those two issues, among others, and I think the research and development part has become an extremely important part of this bill, and I would hope we never forget what we are trying to do here and that we will see those fruits come to bear later on as our children, and your children, and all of our children grow, and we make this a better country for jobs.

Mr. KOPETSKI. Mr. Speaker, I thank the gentlewoman from Florida [Mrs. THURMAN] for her contribution, and we tend to think in my district, when we talk about research and development, we think about the high technology companies that would benefit from this. That is one of our great manufacturing sectors in this country. The gentlewoman is absolutely right to bring in the environmental technology area where we have been developing these kinds of technologies through the years, and there are so many other nations, Eastern Europe, for example, who want to clean up their rivers, and clean up their air, and, if we develop the technologies, there is a market for these various kinds of services and technologies that we can sell to these emerging nations as well, and I thank the gentlewoman for her contribution tonight.

□ 2120

Now I would like to yield such time as he may consume to the gentleman from New Jersey [Mr. MENENDEZ], a new Member of the Congress.

Mr. MENENDEZ. I thank the gentleman for yielding. I wanted to participate tonight with the gentleman from Oregon because I think we heard a few minutes ago about having the sunshine come into this institution and questions of credibility. Certainly, just one comment on that, one thing we do not want to do is to interfere with an investigation that is being conducted by the proper law enforcement authorities of this country. When we begin to interfere with those types of activities that are properly conducted by independent authorities, such as the U.S. Attorney's Office, then we really convert the system into something that the American public would not be supportive of.

So I am here to participate in letting a little sunshine and credibility in on the issue of the President's economic plan, and particularly as it relates to small businesses.

Part of what I have been hearing, is that the groups opposed to the President's economic plan are now attacking the plan on the grounds that it is bad for small business. The facts, the truth, the sunshine, is that nothing could be further from the truth. I

would like to go through some points that I think reflect that.

The President's plan is pro small business. It includes provisions to create and grow small businesses, including more than doubling the expensing provision, a targeted small business capital gains tax, and lower interest rates as a result of real deficit reduction, the lowest long-term interest rates in 16 years.

The plan is fair. Ninety-six percent of small businesses are exempted from any new taxes, income taxes. The 4 percent of small businesses who pay higher income taxes are not mom and pop businesses. A good number of them, such as in my district in northern New Jersey. The average affected individual under the plan, many who are investment bankers, consultants, and others, make \$560,000 a year.

Now, that is no small potatoes. It certainly is not what I consider small business. It is not the small businesses that are in the streets and neighborhoods of the communities that I represent. It is not the businesses along Journal Square in Jersey City. It is not the small businesses along Broad Street in Newark. It is not the small businesses along Elizabeth Avenue in Elizabeth, NJ. It is not the small businesses of mom and pop stores along Bergline Avenue in north Hudson County. When we think of small businesses, those are the types of businesses that we think of. They are not the businesses that are being affected by the President's plan.

Certainly the overwhelming number of small businesses that I know of in my district, I wish they made this, for their purposes. They would be paying taxes as well. But they do not make \$560,000 a year. And I think the President has launched an aggressive program to try to deal with the credit crunch, to provide capital for small businesses, and to expand and create jobs.

You know, this is not because we say it on the floor. There are independent groups and independent institutions and newspapers that have been saying some of this.

We look at some of the major newspapers, like the Wall Street Journal and the New York Times, that have examined some of these claims. In that respect, reading from the Wall Street Journal, it says, "Having been battered in last year's presidential campaign as defenders of the wealthy, Republicans hardly want to oppose the President's proposed income tax increases head on and bemoan the burden on the Nation's richest 1.2 percent of the population. So they are playing up the plight of small businesses. But many of the Republican arguments are specious. Despite claims that most of the burden of the higher taxes would fall on small business owners, the Joint Tax committee data shows otherwise."

It is interesting to read in yesterday's Wall Street Journal an article where we have various of these groups that oppose the President's plan particularly talking about how it is going to affect small businesses.

In an article in yesterday's Wall Street Journal they said:

A small business owner, Dottie Sizinski, made a compelling witness against higher taxes at a Montgomery, Alabama news conference last week called by the anti-tax group, Citizens For a Sound Economy, declaring that President Clinton's proposed tax increases would force her to charge more for the home-help services her company provides. Mrs. Sizinski warned that layoffs were inevitable. "You cannot pull the train without the engine, and you are going to find out this engine is small business," she said.

They went on to say in the article:

There is just one problem: her business, Central Alabama Nursing Services, is so small that her tax rate won't go up at all under the President's program.

It goes on through the article to talk about a whole host of other similar claims by some of these groups that are opposing the President simply on that provision that is going to affect small business.

Finally, listening to another independent organization, the National Federation of Independent Businesses, which in fact has a great deal to say about small businesses, gleaned from some of the testimony they have previously provided, stressing the importance of key provisions of the President's plan, expensing, targeted small business capital gains tax, cuts and lower interest rates from deficit reduction, here is what they said about three of those points:

Deficit reduction: our members feel that there is very little the government can do right now to bring us out of the recession in the short term, and would focus on the deficit, rather than cutting taxes.

The Clinton plan is the largest deficit reduction plan in history, \$500 billion in deficit reduction over five years, on target with the National Federation of Independent Businesses' statement:

Expensing: in the area of investment incentives, let me simply say that we are consistent. Simplicity is the key for the small business community. We prefer above all other things an increase in direct expensing.

The President's plan would more than double from \$10,000 the investment that small businesses would be able to expend immediately. Again, on point with the National Federation of Independent Businesses:

Capital gains: if you wanted to focus though on creation of small businesses and creation of jobs, I think that Senator Bumpers' proposal does an admirable job in that area. The President's plan adopts the key provisions of that proposal.

Again, on point.

So this is the institution, or one of the institutions and organizations, that in fact deals with the issues of enhancing opportunities for small business.

So, in closing let me just say that the President's plan, especially deficit reduction, is job creation, 8 million jobs over the next four years. Studies show that two of the President's small business investments alone will create 200,000 small business jobs.

Now, during the last four years only 1 million private sector jobs were created. That is just about 20,000 jobs a month.

In the first five months of the Clinton administration, 740,000 private sector jobs have been created, over 140,000 jobs per month, compared to the average of 20,000 a month during the previous administration, seven times the rate of the last administration.

Now, several independent analysts have projected that growth in the economy under the Clinton plan will create, again, 8 million jobs in the next four years. So that, to me, coming from a district that suffers a rate of 10.5 percent unemployment, helping small businesses create jobs, putting people back to work, that is change, real change, positive change, the type of change that people who elected us sent us here to create.

That is why I wanted to join with the gentleman tonight, to make sure we let a little sunshine in on the facts. This plan is pro small business. It moves to increase our economy, to grow our economy, and ultimately puts people back to work. When we put people back to work there is no better social program than employment. So that is why I am so happy to participate with the gentleman tonight, hopefully to let a little sunshine in. I thank the gentleman for the opportunity.

□ 2130

Mr. KOPETSKI. I thank the gentleman from New Jersey for his comments.

I wonder, as you do, I am sure you go to a lot of town hall meetings. I am amazed at the amount of misinformation and noninformation about what exactly is in the President's tax bill. I do not know about you. Where do you think this is coming from? Do you think it is because of the radio talk show folks? They have not read the bill themselves? Why is it that people do not understand or they are not asking exactly what is in the bill for small businesses?

Mr. MENENDEZ. I think the fact of the matter is that there are those here who would seek under any guise and will resort to the type of misinformation that, in fact, obviously has to be spread around for people to be as confused as they are on the issue.

The fact is, if you look at the program as presented, as independent groups have, as I mentioned, the National Federation of Independent Businesses and the various publications throughout the Nation who have been critical as well as positive at different

times, in this case they are positive. They say that the President's plan will work.

Some of these groups, under any pretense, will seek to oppose and obstruct. And some Members, unfortunately, of this House will seek to oppose and obstruct what the American public had us come here to do, which is change. When they said change, they meant positive change, change in their lives and change in their lives at a time of great unemployment in many pockets of our Nation, it means going back to work, moving this economy forward.

That is what the President's plan does.

I think that it is best said as Abraham Lincoln said, "At the end, with ten angels coming, swearing from above, I was right and I end up being wrong; then it will not matter. And if the end brings me out all right, then what is said against me now won't matter."

I believe that when we see this plan put to work, give it a chance, as we sought to give other Presidents a chance, given that opportunity that it will bear out, that people will go back to work, it will move our economy forward. We will create the opportunity that Americans are looking for and that we have come to expect as a Nation.

Mr. KOPETSKI. I thank the gentleman. I think you are exactly right that we have got to get this plan in place. The sooner the better for the American economy, for jobs and American competitiveness abroad.

I now yield to the gentleman from Maryland [Mr. HOYER].

Mr. HOYER. Mr. Speaker, I thank the gentleman from Oregon for taking this time.

The gentleman from Oregon [Mr. KOPETSKI] is one of the most able Members of this House, a member of the very important Ways and Means Committee, which is one of the principal participants in the reconciliation bill.

We are focusing on small business. We are focusing on small business, because we know in America that most of the jobs that Americans get and the growth in jobs is essentially created by small business.

We know, furthermore, that over the last decade, many Fortune 500 companies have lost jobs. We have greater productivity, but we are losing jobs, as we become more efficient.

While it is good to become more efficient and more productive, it is absolutely essential for any society to create jobs for its people.

I have three children, ages 28, 24, and 22. They are all in the job market and, luckily, they all have jobs. We want to have good jobs available for my grandchildren, as well, and for the children who just graduated from high school or college this past June, who are going into the job market. So we are talking about small business.

The small business provisions are incorporated in a deficit reduction plan that, in my opinion, is critical, if this country is going to confront its most difficult problem, and that is its deficit, a deficit which is the progeny of an irresponsible fiscal policy pursued over the last 12 years, a policy, very frankly, that Presidents Reagan and Bush incorporated in budgets and sent to the floor of the House.

Many in their own party opposed the Reagan and Bush budgets. Mr. Reagan's first budget got one vote from his own party. Then, 27 Republicans supported his next budget in 1987, only 12 Members of his own party supported President Bush's budget.

What did that mean? Apparently they did not believe that that was a viable economic program for this country. And in point of fact, the Congress put together a program which was ultimately signed by the President of the United States, not in terms of the budget but in terms of the appropriations bills, the reconciliation bills that carried out the provisions of that bill.

The bottom line was, 12 years later the Federal debt had increased from \$945 billion to over \$4 trillion.

Our new President, as the gentleman from New Jersey [Mr. MENENDEZ] pointed out, was elected to bring change and change is not easy. It takes courage. Change will be difficult because the problems are tough, and the solutions are going to be tough. But this President and his party have shown the courage to support the tough policies he has proposed in both this House and in the other body.

We talk about small business, again, because it is such a critical component of the economic welfare of this country. I have asked that a chart be put up that reflects what the gentleman from New Jersey [Mr. MENENDEZ] just talked about. It dramatically points out the 700-percent increase in job creation in the first 6 months of this administration, an average 21,000 jobs were created monthly under the Bush administration. And he, of course, said he was going to create 30 million jobs in two terms.

Now, it does not take much of a mathematician to multiply 48 times 21,000 and know you do not get 30 million jobs. And it does not take a political scientist to know why he did not get to serve a second term.

Since the inauguration we have begun to create new, private sector jobs at a rate of 148,000 a month—813,000 net new jobs. Why?

In my opinion, because the financial markets and the business community believe that for the first time in many years we have a President who is leading and has presented a responsible plan to take charge of our economic future. It is not just the business leaders of this country who are hopeful. For the first time in many years, the G-7

leaders from around the world, and their industrialized nations, meeting in Japan, were not saying, "Why does the United States not have a responsible deficit reduction plan?"

They said to President Clinton, "We believe that for the first time you have a plan to get your fiscal house in order, and we are glad for it, because the economic well-being of this country is critical to international economic stability and health."

As many as 148,000 jobs a month are being created under this administration, not because specific programs have passed, but because our people and businesses are hopeful—we see change coming, and it is good.

I would ask that the next chart be put up. The financial markets do not care about Democrats or Republicans. The financial markets do not care about putting a good spin on policy. The financial markets are not trying to make us look good or the President look good.

The financial markets are making hard economic decisions as to what they believe the future will bring. And interest rates are at the lowest level in a generation. Millions of Americans have saved very substantial moneys over the last 6 months by refinancing their homes. Why have they refinanced their homes? Because mortgage interest rates are coming down. Why? Because the economic stability that the plan that the President has proposed is bringing.

There is an automobile dealer in my district at Indianhead, MD, Williams Ford. The owner told me that 2 days after the November election, he had the best day of sales that he has had in many years. Why? Because there was a confidence that the President meant business, and our people responded.

This mortgage rate chart brings it home. On election day, rates were a little over 8.25, about 8.3 percent and look where we are today—down to 7.5 and lower, 7%, 7 percent. Interest rates today are at the lowest point they have been in a quarter of a century. Why? Because for the first time the Congress and the President have shown the courage to get a handle on the fiscal deficit that confronts us.

□ 2140

I did not support the 1981 program, and I thought interest rates would skyrocket. In fact, of course, nominal rates did not skyrocket, nominal rates being the number you see, but real interest rates were at the highest point they have been historically in the 1980's. By "real interest rates," I mean the difference between what you had to pay for the money and the inflation rate. There was a greater discrepancy in the 1980's than there had been historically.

This President has produced a program. It cuts the deficit by \$500 billion.

Does it eliminate the debt? No; it does not. But it makes a real downpayment. It will take courage, and it will take tenaciousness. We are going to anger some people, no doubt about that. You do not cut, in real cuts, \$250 billion from a Federal budget and expect everybody to be happy, because there are folks getting that \$250 billion, whether they are Federal bureaucrats who have jobs and they are performing functions, or whether they are folks in the private sector who are getting some benefit or some payment from the Government.

We are raising revenues. We are saying we need a greater contribution from this generation so the next generation is not in hock. We are going to do that. That will not make some people happy. It will particularly not make some people happy who got the biggest tax break in history on much higher profits during the 1980's.

In the words of Kevin Phillips, a conservative Republican leader:

We saw the biggest shift in economic wealth, not from the rich to the poor but from the middle class to the wealthiest 1 percent of America, during the 1980's.

I am not here to tell you, and I know you are not either, I would say to the gentleman from Oregon, that we want to gouge anybody. All of us want to be successful. All of us want to have economic well-being for ourselves and our families. All of us also believe that this Nation will survive and do well if each of us participates in his fair share of the burdens that confront this country, as well as the opportunities it affords.

Those interest rates coming down are probably the best economic program we can have. If they remain low, it means an extra \$100 billion being pumped into our economy. I want to talk about some other economic aspects of the bill, not just mortgage rate interest but interest on personal loans and car loans and boat loans and consumer loans coming down. This is the best economic program and the best job creator we can have.

I would like to put up the other chart, if you will. My friend, the gentleman from New Jersey [Mr. BOB MENENDEZ], one of the most distinguished new Members of this House, former member of the State Senate in New Jersey, now a distinguished Member of this body, mentioned this. There is an effort abroad in this land to fool people, to tell them, "this is awful for small business. Small business will be hurt and jobs destroyed."

In point of fact, the largest rate of bankruptcies that occurred in small business ever occurred in the 1980's, the highest rate of bankruptcies of small business. However, that aside, this chart repeats what the gentleman from New Jersey [Mr. MENENDEZ] said. Under the President's program in the reconciliation bill, that I believe will be on this floor in pretty much the

form that I am going to talk about, 95.8 percent, almost 96 percent of the business taxpayers are not affected by the income tax proposals in this bill.

Will they have to pay if we have a gasoline tax? Yes, we will all have to participate. As a matter of fact, the proposal the President now apparently is focused on will be about \$1 per week for middle income families and middle income business folks.

My own opinion is, if they believe that we have the courage to bring down the debt, bring down the deficit, and not continue to pile on their children and their grandchildren an unconscionable debt for the future, I think they will think that is worth \$1 a week. The 4.2 percent who will be affected, as the gentleman pointed out, are doing well, earning over a half-million dollars per year, on average. We do not want to gouge them. And we won't. We believe this is a reasonable contribution that we are asking of some of the most successful businesses in our country.

Let me talk a little bit about some of the proposals that are in there. I think it is important that we look at the specifics. They were related, some of them, by the gentleman from New Jersey [Mr. MENENDEZ], but I am going to repeat them because they bear repeating, because they are very important.

Small Business Friends tell me that the expensing provision, is very, very important. It is now at \$10,000. We are going to more than double it in this bill. That will encourage small business to buy equipment and to expand their businesses, expand their productivity capacity. Good for them, good for the workers they will hire. That will help, grow the economy. That is a very important aspect, and as the gentleman pointed out, supported by almost every small business group that I have had the opportunity to talk to and small business person that I have talked to in my district.

Vice President GORE, came to Waldorf, MD, today. We were at Nick's Market of Clinton, Nick's of Clinton. We talked about these provisions to help small businesses.

Nick Ferrante, the operator of that grocery store, got up and said, "I understand this plan and I believe it is good for my small business." Why? Because he understood its provisions. He was not listening to some political rhetoric, he actually looked at the plan.

I would like to put up the chart there. Let me go through them a little bit, if the gentleman does not mind, and just discuss some of these proposals. It contrasts the Democratic plan and the Republican plan. We have included increased expensing, an allowance so we do not tax investments that small businesses make. Republicans have no such provision.

The capital gains tax cut for small business investment; again, an impor-

tant incentive to get people to invest in growing their businesses, which will in turn grow our economy, which will in turn create jobs for our people, which is what they need and what they want. The Republican plan does not.

The second question everybody asks everybody else—the first question, obviously, is "What is your name?" The second question that everybody asks is "What do you do?" What do you do to participate in our society, to support yourself and your family, and what gives you a sense of self-worth? What do you do? My job, my profession, my way of making a living and supporting myself.

A capital gains tax cut for small business is going to give more people that opportunity to have an answer and have self-respect, and have a sense of participation in making their society better.

The passive loss deduction, has been very controversial. In 1986 we changed that. It had had a very substantial impact on the real estate and home building markets. This passive loss deduction, in my opinion, will help that, and I am not alone. But the Republican plan lacks this provision.

Housing, and homebuilding, is very important in Maryland, in the district that I represent, and very important around the country. Homebuilders lead us out of recession and depression. The passive loss deduction, in my opinion, will be of significant help to those small business men and women.

We have wage and tax credits in enterprise zones, because we have several areas of our country that have historic high unemployment and great difficulty in getting going economically. We know that is a real problem, because the people that live in those areas cannot get jobs and they move out. Those areas then decay and they are centers of crime and deprivation and disease. We need to bring those areas back.

Very frankly, Jack Kemp, a former colleague of ours, talked about, in fact, enterprise zones; empowerment zones, if you will. Very frankly, we have included that in our bill because we thought that Jack Kemp had a good idea. We did not necessarily agree with how he put it, exactly, but it was an idea that was a good one. We have adopted it. We would urge our colleagues on the other side of the aisle to adopt that as well.

We reduced the cost of health insurance premiums of the self-employed, packaged retroactively, because we want to go back and extend the 25-percent deduction for health insurance premiums paid by the self-employed. We think that is an additional savings and incentive to our business people.

Tax-exempt financing for small business, by extending qualified small issue bonds and creating a new category of enterprise zone, which I have already talked about for facility bonds.

□ 2150

And the plan further provides certain small businesses with greater access to tax-exempt financing.

Now that has a cost to it, but it is a cost that is worth it because it creates jobs.

And super-expensing, and those empowerment zones I talked about, and small issue manufacturing and farmer bonds. We sometimes forget that some of the most productive and active small business people we have in America are farmers. And they need assistance. This bill we believe gives it to them.

It is a progrowth incentive for large and small companies and firms, and we modify the AMT depreciation schedule, the alternative minimum tax schedule to again allow depreciation deductions to be accelerated considerably, which will assist businesses in capital investment and in growth. We extend the research and experimentation credit, a very important provision for Silicon Valley type corporations. Those small corporations have provided many of the new jobs during the 1980's. They are not doing it now, but we need to spur them, because we are in fact competing well with the Japanese who came in early, but we are not only catching up, but we can surpass them because our people have the talent and the commitment to do so, if we give them the tools to do so. We believe this does. This R&E tax credit extension extends the provisions that provide the 20 percent credit for qualified research expenditures. We need to encourage, and this bill does, research expenditures, and making sure we are on the cutting edge of technology which will ensure a bright future for our children and for our country.

Mortgage revenue bonds. That has always been a popular program on both sides of the aisle. But this permanently extends the recently expired provisions that permit local jurisdictions to issue tax-exempt mortgage revenue bonds for financing rehabilitation or improvement of single-family homes. We have a shortage of single-family homes in America that are affordable for average Americans. If you have a \$300,000 or \$400,000 salary that will support mortgage payments on that kind of a home, you can buy a home. But if you are making \$25,000 or \$30,000, or \$40,000 or \$50,000 as a married couple, you have a tough time getting a mortgage.

The fact that interest rates are coming down, and we provide for affordable housing is now solving that problem, and home ownership and the expectation of the ability to own a home has gone up substantially among average Americans over the last 6 months, a good point for the confidence of the consumer.

Passive loss liberalization I have talked, of, which in my opinion is critical. The President's plan provides new

incentives for small businesses to create jobs and sustain real growth. That is the bottom line. Not just temporary, but sustainable, real growth and job production.

This House is going to pass reconciliation, in the first instance because this country needs to get its deficit under control if we are going to be a successful, health, growing economy, and second because some of the provisions in here for small business will lead directly to that result.

I very much appreciate the opportunity to participate in this special order with the gentleman from Oregon, and thank him for his efforts as a member of the Committee on Ways and Means to fight for this in committee and on this floor, and currently for a bill that is tough, but is fair, and will be effective in making America's economy grow and create jobs and opportunities for our people.

Mr. KOPETSKI. I thank the gentleman. The gentleman from Maryland is one of our great leaders in the House.

What I got out, or part of what I got out of your statement is that those who call this just a tax bill are wrong. And I think there is a lot of misunderstanding out there in America about what is in the reconciliation package.

There is the business incentive program. There are the spending cuts. And you are on the Appropriations Committee, and one thing you said about the spending cuts struck me, which is that these did not get there just by accident. Somebody asked for that Government spending, whether it is a subsidy in the agricultural area or a payment in the health care area. And so taking those away becomes very difficult, because I assume you see on a daily basis people coming up to you and saying well, do not cut me, cut the other guy. And that is the problem that we are in. We are having to make these very difficult choices.

The President outlined a program, brought it to the Congress. We have made our modifications. We are not a rubber stamp I do not think of any executive. By and large we have responded to the President's initiative, put our mark on it, and now we are in the conference committee.

Mr. HOYER. If the gentleman will yield further, he makes a very good point about not being a rubber stamp. Obviously, I think all three of us are very strong supporters, and I know the Senator and the gentleman from New York who sits behind me are strong supporters of the President. That does not mean that we agree with everything the President proposes.

But the fact is this President has shown courage in giving us a tough but effective and fair package for economic change and growth in America. In fact, of course the Congress added \$68 billion in additional spending cuts above

and beyond what the President proposed because it was the Congress' feeling that we needed to discipline ourselves, bring spending under control as a first priority. And as a matter of fact, when we adopted the budget, the reason for adopting the budget so quickly was to show that discipline, as we did in a very tough budget which freezes discretionary spending at 1993 levels for the next 5 years, freezes spending at the Federal level at this year's level for the next 5 years. That is pretty tough medicine. But it is necessary in the Congress' opinion in order for us to participate not just in taxes, as the gentleman points out, because revenues are necessary. You cannot get there from here without greater participation in a fair way by all Americans. But the fact is in this case it is only the top 2 percent of Americans that will be participating in a very significant way in terms of income tax. And in addition to the revenues, however, we did the spending cuts first. And in my own bill, as you know, where I chair an appropriation subcommittee, we were \$560 million under last year's outlay numbers, which means the money that we spent.

Mr. KOPETSKI. The actual dollars.

Mr. HOYER. In terms of dollars we spent, not just obligated, but spent last year. So we are making some of the tough decisions, and I think we will continue to do so.

Mr. KOPETSKI. I thank the gentleman, and thank him for his time this evening as well.

Mr. Speaker, I yield back the balance of my time.

BUDGET RECONCILIATION PACKAGE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. OWENS] is recognized for 60 minutes.

Mr. OWENS. Mr. Speaker, I yield to the gentleman from Oregon [Mr. KOPETSKI].

Mr. KOPETSKI. I thank the gentleman from New York for yielding.

Mr. Speaker, I wanted to take a few minutes on my own this evening to talk about the President's reconciliation bill. It is a controversial measure, and the reason is because the President has made deficit reduction his No. 1 priority. And I think that we have to deal with the facts when we are addressing such an emotional issue, such an issue that affects our own economy.

When the President took office, literally the day after he took office, the 4-year deficit projection became \$189 billion higher than had been forecast by the Bush administration in the last projection before the election. So this is the first thing the new President was faced with, was the deficit was even worse than we thought it was by about \$190 billion.

□ 2200

President Clinton recognized the seriousness of the situation and had to forgo some of the attractive campaign promises he made like an immediate middle-class tax cut in order to get to meaningful deficit reduction.

This economic package is a \$500 billion deficit-reduction effort, and the President is holding firm on meeting this goal.

As we see in this chart that if we do nothing, if we do nothing without any deficit reduction, we see that the deficit does droop down a little bit, but then it rises dramatically in the out years of 1998, but under the President's reduction, we see immediate and dramatic cuts in the deficit until we get out to 1998, and it levels off actually unless we deal with health care; it may turn up again.

So this is the problem area that we have here, and what we are fighting about in the conference committee today and in the halls of Congress is how much to reduce the deficit, how can we do that in a fair and responsible manner.

There are those who say, well, cut spending and get there entirely by spending cuts. There are others who say do it all by tax increases.

Well, what the President outlined to us and what the House and Senate have agreed upon is that we need a combination of both.

Before I get to that though, I want to talk a little bit about the problem that we have as an institution with our credibility with the American people on a deficit-reduction program. The credibility problem goes back really through the 1980's, I think, when the Congress and the administration kept promising balanced budgets but the opposite happened. We increased the Federal debt fourfold, and then in 1990, although I was not a Member then, there was another new budget agreement, and people perceived this budget agreement as a failure.

Well, let us examine that. The 1990 agreement projected a deficit this fiscal year of \$170 billion. They thought it was going to be \$170 billion. In reality it is going to be probably \$270 billion. So they missed it by \$100 billion, and that is significant dollars.

In a sense the 1990 agreement was not a failure. It just was not bold enough. The Congressional Budget Office has found that the savings to the budget projected by that 1990 agreement have been realized.

The fact is that only about \$9 billion of the increased deficit we are seeing today results from tax-and-spending legislation enacted since 1990, and this includes unforeseen spending of about \$10 billion to the Pentagon to finance our share of the Persian Gulf war, and about \$5 billion in emergency spending for Hurricane Andrew in Florida and the Los Angeles riot assistance that

Congress provided, and in addition the extension of the unemployment compensation.

Since 1990 Federal discretionary spending has actually fallen slightly.

Why did the 1990 agreement fail? Well, it is because we failed to control, I think, the increase in the entitlement spending area, and that is a key problem that still plagues us today. Since 1990 the entitlement spending has shot up 37 percent, with health care costs leading the way.

The package passed by this Chamber begins to address the entitlement issue. The fact is that under the President's plan we have a bit more spending cuts than tax increases. This is a fact. People should not believe the talk-show hosts who say there are no spending cuts involved in this bill. The fact is that there are.

I think we have a chart here to show exactly what we are talking about here, that as the gentleman from Maryland [Mr. HOYER] pointed out, we have pretty much a balance between new revenues or tax increases, and the spending cuts, which add up to about \$250 billion with 200 specific cuts in specific programs, and \$100 billion in the entitlement cuts as well. When we look to the revenue side, we are raising \$250 billion. We are asking the wealthiest of our Nation to contribute the greatest share of those new revenues.

Seventy-five percent of the income in these new revenues will come from the top 6 percent of income holders in our society, 66 percent from the top 1 percent, the top most wealthy individuals in America today, and these are people that made a lot of money in the 1980's, and we are asking them to help America to get this deficit under control.

So I think it is fair that we do impose this additional burden, the significant part of the burden on those with the ability to pay. We want them, and we on the Ways and Means Committee were very mindful of the fact that in this capitalistic society, we want people to make money. We want profits. We want profits from investments, long-term investments in our country.

These people will still be wealthy after they pay this bit more tax increase.

On the average, President Clinton's plan over the next 5 years has \$1.20 in spending cuts for each \$1 we raise in the tax increases. In 1994 there are 78 cents in spending cuts to the dollar in tax increases. In 1995 the amount goes up to \$1.12 for every dollar of taxes. In 1996 there is \$1.21 in spending cuts for each \$1 in taxes. In 1997 there is \$1.16 in spending cuts for every dollar in taxes, and in 1998, \$1.49 in spending cuts for each dollar in taxes.

Deficit reduction is important to our Nation's smaller businesses and individual firms such as our farmers, as the gentleman from Maryland [Mr. HOYER] alluded to. Maybe they are a sole pro-

prietor, but they are all benefiting from deficit reduction, and the hope and expectation from Wall Street that the Congress will follow through with the President's leadership and enact a significant deficit reduction, because that is what is going to keep the interest rates low and the economy in an upward slant.

The NFIB, the National Federation of Independent Businesses, representing over 100,000 small and independent business owners, testified in the Ways and Means Committee that 87 percent of its members believed deficit reduction should be Congress' top priority.

The Federal Reserve Chairman, Alan Greenspan, noted yesterday that President Clinton's \$500 billion deficit reduction is a "good first shot" and that if the financial markets believe Congress is backing away from that \$500 billion target, it will mean higher long-term interest rates, rates that are critical to mortgages and firms and households that are undergoing debt restructuring or your new small businesses going out there to borrow the money for their inventory for this year and the Christmas season approaching.

Greenspan also noted the flip side, that if the market senses that if there is true credible action on the deficit, on the debt about to occur, long-term interest rates could drop even further than they are today. Deficit reduction is a winner for small businesses, and that is what is built into this package that the President has taken to the Congress.

How do we know that the deficit will go down under this package? As we said earlier, we have got a credibility problem here in the Congress. People need to believe that this is real, that these cuts are real, and I know that they will believe the revenue increases are real. But is it going to impact them?

The Federal Reserve Chairman, Mr. Greenspan, clearly believes the deficit will go down. Discretionary spending cuts are real. Farmers know that these cuts are real because of the \$1.96 billion we are cutting from the deficiency payments over the next 5 years. Farmers also know the spending cuts are real because the commodity programs are being cut by a half-billion dollars. Federal employees know the cuts are real because of the 150,000 Federal positions being cut out through 1998, saving nearly \$30 billion. Medicaid recipients will know the cuts are real because the \$8.2 billion is being cut out of it, and our veterans know that the spending cuts are real because the VA housing programs are being cut by \$665 million.

All totaled, the domestic discretionary spending is being reduced by \$102 billion over the next 5 years, \$102 billion. It is real.

I have already got constituents coming into my office saying, "Why are you cutting so much?" We come back

to the first chart, the size of the Federal deficit and the fact that we have to get it under control.

Are we cutting the entitlement programs? You bet we are. They account for 60 percent of Federal spending, and 65 percent of the Federal spending in 1995.

The House-approved package cuts the sacred cows of entitlements by \$87 billion. It requires accountability on this entitlement spending as well, and with an annual target; each year we set a target on our entitlement spending. If that target is exceeded by more than one-half of 1 percent, the President is required to propose a way to pay for that overspending or request Congress to adjust the target, full accountability on an annual basis.

There will have to be a vote, so each Member of Congress throughout this country will be held accountable and on the record on the entitlement-spending area.

□ 2210

I think the previous speakers have alluded to the various provisions in the President's tax bill that do provide a benefit, a stimulus to small businesses in our Nation.

The Wall Street Journal yesterday, just yesterday, reported in an article entitled "Foes of Clinton's Tax Boost Proposals Misdemean Public and Firms on the Small-Business Aspects."

Mr. Speaker, I insert that article for the RECORD:

[From the Wall Street Journal, July 20, 1993]

(By David Wessel and Jeanne Sandler)

Small-business owner Dottie Cieszynski made a compelling witness against higher taxes at a Montgomery, Ala., news conference last week called by the anti-tax group Citizens for a Sound Economy.

Declaring that President Clinton's proposed tax increases would force her to charge more for the home-health services her company provides, Ms. Cieszynski warned that layoffs were inevitable. "You cannot pull the train without the engine, and you're going to find out this engine is small business," she said.

There's just one problem: Her business, Central Alabama Nursing Services Inc., is so small that her tax rate wouldn't go up at all under Mr. Clinton's program.

Ms. Cieszynski says she gleaned her belief that her marginal tax rate would shoot up 14 percentage points, to 46%, from material provided by CSE and other small-business lobbies. But all the rhetoric to the contrary, the vast majority of small businesses are in much the same position as is hers. Under the tax-rate increases that have cleared both houses of Congress, they wouldn't be touched; only the most prosperous small-business owners would be affected.

Opponents of the Democrats' plan to raise taxes on upper-income people realize there isn't much point in seeking sympathy for the rich. Small business, on the other hand, is almost sacred. So the foes, who mounted an effective campaign against Mr. Clinton's energy tax (known as the BTU tax) earlier this year, have hit the small-business issue hard in print and radio ads and in a flurry of press releases.

GOP RADIO ADS CITED

"Having been successful on the BTU tax, we have turned more of our energy" to the small-business issue, says Jerry Jasinski, president of the National Association of Manufacturers. The Republican National Committee's radio ads say the tax bill means "more taxes on small business, killing jobs and economic growth."

No one is making more noise about taxes and small business than Citizens for a Sound Economy, a Washington group headed by James Miller, who was President Reagan's budget director and is now campaigning for a Republican U. S. Senate nomination in Virginia. The group's surveys of local small businesses, who warn of layoffs if their taxes go up, have generated stories in local newspapers from Milwaukee to Gadsden, Ala. ("Survey: President's tax plan to cost Alabama 40,000 jobs," read a headline in the Gadsden Times.) The group's ads running in local newspapers of targeted congressmen and senators—which include the telephone numbers of their district offices—label the tax bill "a job tax" that "crushes small businesses."

The group's 60-second radio ads are even tougher, featuring two politicians—Frankie and Weasel—who sound like gangsters. "Let's tax small businesses. You know, car washes, farms, grocery stores. We'll say it's a tax on the rich," Frankie says.

"Yeah," replies Weasel, "but they hire a whole lotta people. It'll mean they'll have to fire some folks."

"Better their jobs than ours," says Frankie.

MOST DON'T EARN ENOUGH

Most corner grocery stores and neighborhood car washes, though, don't earn nearly enough to be affected by the income-tax increases that the House-Senate conference committee is considering. True, many small-business owners—all partnerships, so-called subchapter S corporations and sole proprietorships—do pay taxes on their profits at personal-income-tax rates. But the tax bill would raise income-tax rates only on those individuals with taxable incomes, after deductions, of \$115,000 and couples with taxable incomes of \$140,000.

"You'd have to have one humdinger of a car wash to be pulling down that kind of money," says D. J. Gribbin, a lobbyist for the National Federation of Independent Businesses. The typical federation member employs five people and makes about \$45,000 a year in salary and profit.

In the case of Ms. Cieszynski's company, for instance, her business is organized so that she pays taxes at the corporate tax rate. The tax bill would raise the corporate tax rate to 35%—but only for companies with profit of \$10 million or more. Ms. Cieszynski won't disclose precisely what her firm earns, but she says it's less than \$100,000.

Jeff Nesbit, spokesman for Citizens for a Sound Economy, says the group didn't analyze the taxes of the participants in its news conference. He says the group's surveys are restricted to subchapter S corporations, and Ms. Cieszynski wasn't among those polled. Ms. Cieszynski says she was invited to participate in the news conference by a local public-relations firm; she believes the firm got her name from the National Federation of Independent Businesses, of which she is a member.

ADMINISTRATION FIGHTS BACK

The Clinton administration, keenly aware that opponents of its energy tax skillfully used local newspapers and radio stations to

influence swing votes in Congress, is doing its best to smother the arguments with facts. Erskine Bowles, the new head of the Small Business Administration, raised the issue at a town meeting in West Hartford, Conn., last week even though no one asked him about it.

Other administration officials point out that the administration-backed proposal to increase write-offs for small businesses that buy new equipment would help far more businesses than the tax would hurt.

The Treasury doesn't dispute the fact that well-off small-business owners will pay higher income taxes, just as will well-off bankers, orthodontists and Exxon Corp. executives. But only about 4% of those taxpayers who report some business income on their tax returns—and that includes partners in law firms and investment banks as well as owners of small manufacturing companies—make sufficient money to be hit by the higher tax rates.

These people account for a significant chunk of the money that would be raised by the tax-rate increases. Of the \$400 billion earned in 1991 by taxpayers with gross incomes of \$200,000, about \$80 billion came from business income of some sort, Internal Revenue Service data show.

Of course, the most prosperous businesses are likely to be the ones that employ the most people. Raising their taxes and thereby reducing their cash flow isn't likely to encourage them to hire new employees or buy more equipment. "To say this is a disaster for all small businesses isn't accurate," says John Satagaj, president of the Small Business Legislative Council, which is friendlier to the Clinton administration than some other small-business groups. "But the profile of those companies affected are the ones you don't want to hurt."

Meanwhile, some of the small-business owners who will be hit by the higher taxes sound as angry at the populist rhetoric as they are at the increase in their taxes. "I employ 100 people. I provide a living for those people," says Ralph Evans, owner of Evans Farm Inn, a restaurant and catering business in McLean, Va. "It bothers me that Congress and my president are telling me I'm a no good SOB because I make so much money."

The fact is that the article points out that 95.8 percent of business taxpayers are not affected by the President's tax proposals. Here we have this chart again, 95.8 percent of business America is not affected by these tax proposals; 4.2 percent of those are affected.

In terms of the top corporate rate, what we did in the Committee on Ways and Means is that the President proposed a 36-percent rate, that is raising the corporate rate of 36 percent from 34, and we said 35 was adequate and where we ought to be and still remain competitive in the international global economy with our competitors, Japan and Germany.

We are only asking those businesses in America that have gross proceeds of \$10 million or more per year, and out of the 40,000 businesses in that top category today, in that top rate category today, only 2,700 of them will be paying a higher rate.

The fact is, as a lobbyist for the NFI is quoted as saying in another Wall Street Journal article, "You'd have to

have one humdinger of a carwash to be pulling down that kind of money," the kind of money that would get a small-business person taxed by this legislation.

The task before our Nation is very difficult, there is no doubt about it, because we have to eliminate the deficit and work on the debt. It is over \$4 trillion. We are going to be adding to that debt each year, even under this program, until we get to a balanced budget. But we have to do it in a fair and equitable and in a manner that will not hurt the economy but will stimulate the economy. That is why we have some of these pro-business features in it; the expensing provision, the 50 percent investment exclusion for capital gains treatment. We repeal the luxury tax on boats and aircraft. On the intangible areas, we allow tax deduction for depletion of items like customers lists, which is extremely helpful for small businesses like independent insurance agents in this country, for example.

The gentlewoman from Florida talked about the research and development tax credit for the environmental technology companies, but also for the high-technology manufacturing companies, of which the United States has 50 percent of the world market today. We have got the targeted jobs tax credit program to encourage small employers, whether it is restaurant owners in this country, or others, to hire more people and to place workers that have been unemployed for too long, for workers in different categories who have a tough job getting that first job.

It is good for small business, it is good for the Nation. It restores a semblance of tax fairness, tax fairness to our tax code.

I think we have a chart here. Mr. Speaker, this is an important chart because this is: Who is going to pay the increased taxes here?

We have got this broken down by income category, because of the monies we are spending on expanding the earned income tax credit where we are going to make work pay in this Nation, not just for married couples but for single individuals as well. Actually, because of the expansion of the EITC, they are going to pay lower taxes, generally.

Then you move up the economic scale, \$3 for those who make \$20,000 to \$30,000 a year. Then you jump up to \$75,000 to \$100,000 adjusted gross income household, and we are asking \$41 more per month by that household.

Finally, we get over the \$200,000 category, and, yes, we are asking them to pay more a month, over 1,900 bucks more a month. These are people that got favorable tax treatment in the 1980's, they were making money then, they are making money now, they will continue to make money even under this program, whether it is because they are going to have a more attrac-

tive investment market or because they are going to be paying lower interest rates; but the deficit is going down and the economy should move forward as the markets suggest that it will.

Well, there is one other item that I wanted to mention, and I am about ready to close. I truly appreciate the gentleman's time.

That is an article from the Wall Street Journal.

It is a quotation from a June 25th Journal article about "Taxing Small Business."

The Republicans maintain that a large portion of the higher tax rates the Democratic plan would impose on taxpayers with taxable income above \$140,000 would fall on small business and would inhibit the owners from pouring money back into the business so they could expand and hire new workers.

This proposition is grounded on the fact that many businesses are not themselves taxed. Rather the proprietors, partners or shareholders pay taxes on the profits at their tax rate, which is lower than the corporate rate.

One problem with the argument is that many of these businesses are actually doctors, lawyers and other professionals—not the sort of entrepreneurs normally associated with job creation.

Another problem is that these businesses pay taxes only on their profits, after deductions are taken for expenses like paying wages to employees or making new investments to expand.

The Republicans never quite explained why surgeons, or even the owners of hardware stores or canneries, should be taxed less on their income than someone who draws a salary from, say the United States Treasury.

Finally, Mr. Speaker, the Republican alternative to President Clinton's economic package has no business features to it, there is no expensing measure, does not have the capital gains tax provision, does not have the passive loss deductions which are important to the real estate industry, does not have the enterprise zones so we can get these depressed areas, whether in the timber industry or downtown New York, going again, more attractive to businesses. It does not have the real deficit reduction program that is offered in the proposal brought to you by the Democrats.

In closing, Mr. Speaker, we saw the size of the Federal deficit, over \$4 trillion; this is serious. The issue before us is whether the rest of this decade and into the next century we are going to be economically competitive, that we are going to go and continue to be the richest, most powerful Nation on Earth. That is what is at stake here. If you look at not just the economic aspects, you look at our national security, you look at who owns or holds our national debt, nearly half of it is owned by foreigners. That is not good for the security of the United States of America. We are at risk, I believe, just because of that fact.

So, when we talk about successes, whether this is going to be a Clinton success or a Democratic Party success,

no; we need to do this for our Nation, for America.

I sincerely believe this is the fairest, the best deficit reduction package that the minds of the Congress can put together. It is the best we can do with limited circumstances to provide some needed economic boost to the businesses of this country, especially the small businesses.

I thank the gentleman from New York [Mr. OWENS] for his time and his indulgence.

□ 2220

Mr. OWENS. Mr. Speaker, I thank the gentleman for his very clear explanations and for calling this special order on the very important budget reconciliation package. There is no more important time than now. As we move toward a resolution of this matter, a vote, we need to throw more light on the subject.

Like most of my colleagues, when I was back in the district during the recess I encountered a great deal of anger and hostility from people about what is going on in Washington. The anger and hostility comes from every level. It is not just the middle income, well-educated voters who are very articulate and let you know, it is also the people on the street who were very disappointed, people who had been promised that this new administration would put people first. There were going to be some definite changes, and they have not seen those changes materialize.

Let me just take one very graphic example, the summer youth employment program. The summer youth employment program was to be increased. The Clinton Administration came in proposing an increase of about \$1.5 billion, a little more than a billion and a half dollars, which would have translated in a place like New York City to an additional 35,000 jobs. These are jobs for low-income youths, unemployed in the summer. Many of their salaries go to support the whole family. I know from my close association with the program over the years at every level that these are jobs which put money in the hands of poor youth and families and those youth and families pour it right back into small businesses. They do not invest it anywhere. They do not take trips to Switzerland or the Cayman Islands. They go to the sneaker store. They go to the clothing store. They go to the school supply store and they pump money back into the economy immediately. It is very important that those jobs for those youth flow, but they did not increase anymore than a paltry \$166.5 million.

The Clinton administration proposed a \$1.5 billion stimulus package. When they got through cutting it down from \$1.5 billion down to \$166.5 million, and when you divide that across the whole country, the increase in the number of

jobs this summer was not that great over the number of jobs last summer.

Translated, as I said before, to New York City it meant we lost 35,000 jobs by not having the President's original proposals acted upon.

We passed it in the House in the so-called stimulus package, but it was filibustered by the other body.

One program officer told me it had a waiting list of 3,500 youngsters. Under the appropriation they got, they were only able to provide jobs to 750 youngsters. Seven hundred fifty youngsters meant that the others went without jobs.

A few days after they told me that young people would apply for those jobs, that most of them would not get jobs, a few days after that there was a robbery and murder that took place in a local park. The head of the program told me that two of the boys involved in that robbery and murder were below the age of 16. They were on the list. One was number 3,003 and the other was number 3,004 on the list. They had been told this.

I do not excuse anybody from participating in a robbery or a murder. There is no excuse for that. But I wonder what bearing it would have had if they had been told the good news, "Yes, you got a job this summer." Would they have been out there in that park with the rest of the gang?

People are angry for good reason. They have seen that the prosperity of our economy has moved forward. We are far wealthier now than we were 12 years ago before the Reagan and Bush administrations took office. As a whole the country is wealthier. Our companies are doing very well. Large companies are making more money than ever before. At the same time they are making huge profits, they are laying off people. What is going on?

Everybody is trembling in fear for their jobs, because despite the fact that their companies are doing very well, in order to lower their costs or for whatever purposes they want to accomplish, some of the most stable giants in American industry are laying off thousands and thousands of people.

So we are not sharing in the wealth, they are saying. Something is radically wrong. They are angry. They are angry at politicians. They are angry at the Democratic Party. They are angry at the President.

This anger certainly is very much misguided. As the presentation has shown here tonight, we have very much moved in order with the President's proposal to put people first. The President has been willing to bite the bullet.

The package that we have passed in this House, and I want to stress the fact that we talked a great deal about small business and there is a need to counteract the campaign to make it appear that small businesses will suffer, but I want to stress the fact in my

presentation that in addition to small businesses not suffering, but instead benefiting, we also have a package which was the President's package, passed by the House. A combination of the President's package and the House-passed package was a balanced package. It was very well balanced, balanced in terms of the expenditures, as has been pointed out. We made the hard decisions and made cuts. Not all of us agreed with all those cuts, but most Democrats ended up supporting that package. It was balanced in terms of revenue. Not all of us agreed with all the taxes. We think maybe there should have been more taxes on the rich who have benefited so greatly from the eighties; but nevertheless, we supported that package.

The other part of it was that it was also balanced in terms of certain programs that put people first. It has a childhood immunization feature. It has enterprise zones for the poorest cities. It has earned income tax credit to guarantee that people who work every day will have some help from the Government so they do not fall below the poverty line.

It is a first step in terms of President Clinton's welfare reform program.

We had an expansion of the Food Stamp Program. It had these items in there in addition to the cuts and the extra taxes. It all balanced out. We all voted for it.

As we move toward the finalization of the process as the Senate and the House conferees discuss this in debate, they should not lose sight of the balance. Less and less talk has occurred over the past few days about childhood immunization and the provision in the bill concerning that, enterprise zones, earned income tax credit. There seems to be some kind of budding gentleman's agreement that all that is expendable. That can go. We are not going to put people first. We are going to put the deficit first.

Deficit is important and people do benefit from a reduction of the deficit. It has been pointed out here quite clearly that the lowering of interest rates benefits everybody.

So we are not going to say the deficit is not important, but let us not forget, people ought to come first and that in terms of a proportion of that package, the programs which benefit people directly, people have been neglected for the last 12 years is a very small piece.

Childhood immunization is not a large amount of money being set aside for that. Enterprise zones, earned income tax credit, they do not amount to large amounts of money.

So while I congratulate the President on the fact that he has bitten the bullet and congratulating the Members of the House who supported the President's package, we recognize that this plan really puts us back in the goal of our economic destination.

After 12 years of finger pointing, President Clinton is stepping up to the plate to deal with it.

The President does not like to fix blame much, but I do not hesitate to fix blame. The blame is on the excesses of the Bush and the Reagan administrations. We had a transfer of wealth drained out of the middle class and pumped into the top 1 percent, the top 6 percent of the income bracket. That is pretty clear. One does not have to exaggerate. That is not a wild, radical statement. The statistics show where the money went. They benefited from Government policies.

People are always talking about get Government off our backs. Government should not be involved. Leave it to private industry. That is the biggest lie that has ever been perpetuated.

The people who got wealthy during the eighties all had some connection with the way the Government policies moved and the way Government transferred wealth from the middle income folks up to higher levels.

We transferred it in many ways, in the name of defense. We poured excessive amounts of money into weapons systems. We transferred it in many ways, clearly by swindling the American people out of billions of dollars in the savings and loans swindle. The savings and loan swindle probably will amount to \$500 billion taken out of the pockets of the American taxpayers and put into the hands of some of the wealthiest people in the country due to regulations, distorted policies and just plain crookedness in many cases, complicity between Government officials and people in the banking industry.

□ 2230

So, Mr. Speaker, in various ways we created the deficit, and now, if we accept the fact that the deficit is the most important thing on the agenda, we are allowing President Bush and President Reagan, who have created the deficit, to reach into the present administration and be a determining factor in the way we spend policy. We have to deal with the deficit, but let us not get lost or blinded by our attempt to act responsibly with respect to the deficit. Let us not fail to put people first. We have to deal with spending cuts, as I said before. Some of those spending cuts should be made, and some of them I question, and there are many spending cuts that we have not made yet, and I assume that the new administration coming in, having won in November and doing a transition period, having come in in January, we knew this budget was put together under very strange circumstances. I assume that we are going to have a budget that really reflects the new administration in the next go-around. We are moving to keep matters going. This budget is important. It does set some precedents. It does lay out the direction in which we will be going in the

next 4 years. But I do not accept it as anything final. I wait to see the next budget produced by the administration, and I hope that the spending cuts then will be more reflective of the philosophy of putting people first. Of the spending cuts, they will recognize what was done to us in the 1980's by the Reagan and Bush administrations. We had star wars, you know, Brilliant Pebbles. We are going to stop rockets by shooting pebbles into the skies. Billions of dollars invested into that unfortunately, but the greatest surprise is that the present administration also continues to support star wars.

Mr. Speaker, most of the scientists, you know, two-thirds of the scientists in this country in the time star wars was proposed said that it was not a workable idea. After billions of dollars have been poured into it, it still is not close to being workable. Yet we are continuing to fund it. That is a cut we should be making, and we can take a large cut there because it is a large amount of money.

We are continuing to fund, the administration is continuing to support, the superconducting super collider. You know, in this present budget we are talking about \$600-and-some million over the life of that program. We are talking about another \$8 to \$9 billion. I am not against science. I do not think it is just a big ditch. I think it is based on sound, scientific concept for the superconducting supercollider. It is a boondoggle as it is being implemented. The superconducting super collider is something which at least could be slowed down, but given the fact that it is being implemented in the old style, massive overruns already are under way. It is best to just bring it to a halt and accept the return of that money to the budget to take care of other kinds of needs. The administration is behind it, but the House of Representatives is not. Overwhelmingly the House of Representatives voted to end the superconducting super collider project. That would generate a great deal of money for programs which put people first. It certainly could take care of the Childhood Immunization Program. It could take care of some of the other expenses that I have mentioned in terms of a balanced budget, items that are in there for people.

But, my colleagues know I do not want to take away from the fact that we have passed, as Members of the House, a good plan. The plan will create jobs, 8 million of them over the next 4 years, permanent, productive, private sector jobs. The plan is a good job generator because it makes it easier for businesses to grow. If we keep interest rates at their present low level for the rest of this year, we will have pumped \$100 billion of new private sector capital into the economy. Let those who say that the President has not bitten the bullet, the President has not in

the first few months of his administration parted the country in a new direction. Let them take heed. We will have pumped \$100 billion of new private sector capital into the economy if we can keep the present interest rates going.

The plan also targeted new incentives to encourage business, especially as we are talking here today about small businesses being encouraged to create new jobs. The plan will improve the standard of living. The interest rates mean that you could buy a car, buy a home, and buy a lot of other things at a lower price than you could afford before. This is real money, the pockets of real people. You can finance a \$100,000 mortgage—instead of paying 10 percent—for 7.5 percent, and you will have saved \$175 a month. That is more than 10 times what you will be paying in new taxes—the middle-income families will be paying in new taxes.

This is real change. This is something you can sink your teeth into. Never mind what the talk show hosts say, the radio talk show hosts and the television talk show hosts. They insist on oversimplifying. You know, they are in a sense being simple minded about what is going on here in Washington. All they can see is new taxes. All they can see is broad-brush actions, and they will not discuss the bread and butter of what is going on. One hundred seventy-five dollars a month saved on one's mortgage is really bread and butter. This is a fundamental break from the old failed trickle-down policies of the past. It is a change that is historic in its scope. It is the largest deficit reduction in history, the biggest set of spending cuts in history. It is real change. The old ways have left deficits out of control, and now we are talking about putting our economic house in order. Trickle-down sheltered the powerful and the privileged and tried to balance the budget on the backs of the forgotten middle class.

This economic plan is fair, it is shared, and it is balanced. The rich are finally paying their fair share. More than three-fourths of the taxes in this plan are being paid by the wealthiest 6 percent of upper-income level in this economy. The working poor actually get a break. If you make \$30,000 a year or less and have children in the home, this plan gives you a tax break to help you raise your children above the poverty line. Your earned income tax credit, that is part of what I am talking about now when I say a balanced piece in this package. We cannot let the earned income tax be eroded. The other body has already drastically cut the earned income tax credit as it was passed by this House. We must not, in conference, yield to this very important people program. We have to put people first, and the earned income tax is probably the most important item in terms of putting people first, and it is also the beginning of a welfare reform approach that makes a lot of sense.

The middle class wins in this plan, this plan of the President and the House of Representatives. The middle class wins. After 12 years in which the Republicans taxed working class people, and they gave the money to the wealthy people, this is a plan in which the middle class truly wins. The total tax burden on the middle class ranges from \$2 a month in the Senate version to a maximum of \$17 a month in the House version, but what you get for that. Look at what you get for that. You get lower interest rates on everything from your home to your car loan to your credit card payments. You get historic deficit reduction, real spending cuts, and 200 specific programs, incentives for businesses to create jobs here in America, and the kind of sustained, long-term growth that America needs.

As the gentleman from Maryland [Mr. HOYER] pointed out, you need long-term sustained growth in order for our children to have jobs and our grandchildren to have jobs. We have to make that beginning by biting the bullet and dealing with the deficit now. This plan makes real cuts in specific programs. This plan could make more cuts, but the cuts have at least begun. On the business as usual, deficit reduction disappeared in the old Bush and Reagan years. They started out talking about deficit reduction, but each year we found that it did not happen. The deficit reduction is taking place here now. For every \$10 we put in a \$500 billion trust fund, \$5 comes from, \$4 comes from taxes on the wealthiest 1 percent, and only 1 percent comes from the middle class. The trust fund will be proof that we really are paying down the deficit unlike the policies of the past when the Republicans used gimmicks like budget caps that were lifted or ignored when they saw fit. In the old way of doing things the most vulnerable were the most victimized. Under this plan we do achieve more deficit reduction than the Republican proposals with less than half of the level of cuts in Medicare, veterans benefits, and health care.

The other body is all wrong. The are proposing Medicare cuts. They have proposed Medicaid cuts which are not necessary.

□ 2240

The old way of doing business is what they want to continue. The old way of doing business allowed politicians to look no further than the next election. But this plan does look to the next generation.

I cannot stress too much the comparison between the plan of the President and the House of Representatives, our plan, versus the plan of the other body. I hope the conferees will remember the people who are there to reach a final decision along with the representatives of the other body. I hope they

will remember and the American people out there will remember them, that we have a balanced package and we do not want food stamp expansion to be cut out. Seven billion dollars in that package that we passed, the President's package and the House package, \$7 billion for food stamp expansion. The Senate has zero for food stamp expansion.

We have a billion dollars for family preservation in that package. The Senate has zero for family preservation.

We have \$2.1 billion for childhood immunization. The Senate has far less, because they cut back drastically on the childhood immunization program.

We want to maintain the balance. These programs are important. These programs put people first.

Consider the fact that only 55 percent of the Nation's 2-year-olds were fully immunized against vaccine-preventable diseases in 1991. Only 55 percent, a little more than half. Despite the fact that we have the technology, we have the chemistry, we have everything we need to accomplish these vaccinations, only 55 percent of the Nation's 2-year-olds were fully immunized. Because of these low immunization rates, a measles epidemic swept across the country and claimed over 55,000 victims between 1989 and 1991. The epidemic killed 166 and hospitalized 11,000 Americans.

When you have a measles epidemic, they have a residue, because women who are pregnant and get measles, their children are born with hearing defects. We have a large bulge in the population who have hearing defects, and a lot of children are born deaf as a result of measles. It carries over for many, many years in terms of the necessity to compensate for that.

The House passed a universal vaccine assurance system as part of the budget reconciliation bill, our bill and the President's bill. The good bill was passed with this universal vaccine assurance system. The new plan would serve 11.1 million children who are uninsured or under insured, Medicaid eligible or native American. All of the children will have their immunizations paid for by their private health insurance.

The House also included provisions for parent education and immunization registry and a reminder system and an extension of the vaccine injury compensation program.

The Senate budget reconciliation bill would only require states to buy vaccines in bulk. No vaccine assurance program would be created by the Senate plan.

The House version must prevail in conference for the following reasons: the House version of the Childhood Immunization Initiative will help more children. The House bill includes Medicaid immunization improvements, such as parental coordination, coordi-

nation with WIC and other MCA programs, and better reimbursement rates. The Senate did not include these Medicaid reforms.

Passage of the Childhood Immunization Act is a warmup for the national health reform. A loss on this issue will be a victory for the drug industry against the President. The other body is wrong. The conferees of the House must not yield on the Childhood Immunization Program.

Finally, the EITC, the earned income tax credit proposal that has been adopted by the other body, also has serious shortcomings. The Senate EITC proposal fails to offset the transportation tax which they have imposed on millions of working poor households. This is due in large part to the committee's rejection of the proposed EITC for poor workers without children.

The Senate proposal also makes several million working families with children worse off than they would be under current law. It cuts their EITC by up to \$77 in tax year 1994 and up to \$55 in subsequent years, while simultaneously the transportation tax which the Senate has put on, the gasoline tax, which will be paid by everybody, puts a new burden on these same families.

Finally, although it comes close, the Senate plan fails to achieve the President's goal of lifting a family of four which has a full-time, year-round wage earner, a working person in the family, is not lifted to the poverty line in the Senate program as it does in the case of the House and President's program.

In conclusion, Mr. Speaker, I again want to congratulate all of my colleagues who participated in this special order, and want to urge them not to succumb to some of the easy answers that are being proposed.

There are some people who say the best way to get out of this impasse is to just forget about any new taxes on the middle class, the transportation tax, for example, and dump the people first programs. If you do not have the tax on fuel, the tax on energy, then you can compensate for that by not dealing with childhood immunization and EITC. Dump the people first programs and take away the taxes. I think that is the wrong step. It means we have not changed anything here in Washington. We have not heard the voice of the people.

The people who are out there angry now will have every reason to continue to be angry with us. We should put people first and understand that what makes our democracy great is not the fact we have more people who are well off, more people who are educated, but we have instead more people who participate. I invite everybody, every voter, every citizen, to continue participating, watch this process. Keep your eyes on the prize as we wind up this process of budget reconciliation,

which is one of the most important duties of this Congress.

We should hear from the people who are constituents. We should hear from the people who put us here. They should take a backseat now, but insist that reason prevail over the special interests that usually do prevail, instead of focusing on the deficit blindly and refusing to recognize the people programs. Instead of focusing on cuts and refusing to make the cuts that are necessary in places where we should make cuts, we should keep our eyes on the prize and make sure that we do not sacrifice very important programs like the Children's Immunization Program, enterprise zones, the earned income tax credit, and the food stamp expansion.

COMMUNICATION FROM THE CHAIRMAN OF THE COMMITTEE ON THE BUDGET REGARDING CURRENT LEVELS OF SPENDING AND REVENUES FOR FISCAL YEARS 1993-1997

(Mr. SABO asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SABO. Mr. Speaker, on behalf of the Committee on the Budget and as chairman of the Committee on the Budget, pursuant to the procedures of the Committee on the Budget and section 311 of the Congressional Budget Act of 1974, as amended, I am submitting for printing in the CONGRESSIONAL RECORD the official letter to the Speaker advising him of the current level of revenues for fiscal years 1993 through 1997 and spending for fiscal year 1993. Spending levels of fiscal years 1994 through 1997 are not included because because annual appropriations acts for those years have not been enacted.

This is the fourth report of the 103d Congress for fiscal year 1993. This report is based on the aggregate levels and committee allocations for fiscal years 1993 through 1997 as contained in House Report 102-529, the conference report to accompany House Concurrent Resolution 287.

The term "current level" refers to the estimated amount of budget authority, outlays, entitlement authority, and revenues that are available—or will be used—for the full fiscal year in question based only on enacted law.

As chairman of the Budget Committee, I intend to keep the House informed regularly on the status of the current level.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON THE BUDGET,
Washington, DC, July 14, 1993.

HON. THOMAS S. FOLEY,
Speaker, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: To facilitate enforcement under sections 302 and 311 of the Congressional Budget Act of 1974, as amended, I am herewith transmitting the status report on the current level of revenues for fiscal years 1993 through 1997 and spending estimates for fiscal year 1993, under H. Con. Res. 287, the Concurrent Resolution on the Budget for Fiscal Year 1993. Spending levels for fiscal years 1994 through 1997 are not included

because annual appropriations acts for those years have not been enacted.

The enclosed tables also compare enacted legislation to each committee's 602(a) allocation of discretionary new budget authority and new entitlement authority. The 602(a) allocations to House Committees made pursuant to H. Con. Res. 287 were printed in the statement of managers accompanying the conference report on the resolution (H. Report 102-529).

Sincerely,

MARTIN OLAV SABO,
Chairman.

Enclosures.

REPORT TO THE SPEAKER OF THE U.S. HOUSE OF REPRESENTATIVES FROM THE COMMITTEE ON THE BUDGET ON THE STATUS OF THE FISCAL YEAR 1993 CONGRESSIONAL BUDGET ADOPTED IN H. CON. RES. 287

REFLECTING COMPLETED ACTION AS OF JULY 13, 1993

[On-budget amounts, in millions of dollars]

	Fiscal year 1993	Fiscal years 1993-97
Appropriate level:		
Budget authority	1,246,400	6,669,200

REFLECTING COMPLETED ACTION AS OF JULY 13, 1993—

Continued

[On-budget amounts, in millions of dollars]

	Fiscal year 1993	Fiscal years 1993-97
Outlays	1,238,700	6,472,700
Revenues	845,300	4,812,900
Current level:		
Budget authority	1,248,381	(1)
Outlays	1,242,955	(1)
Revenues	849,333	4,807,168
Current level over (+)/under(−) appropriate level:		
Budget authority	+1,981	(1)
Outlays	+4,255	(1)
Revenues	+4,033	−5,732

¹ Not applicable because annual Appropriations acts for those years have not been enacted.

BUDGET AUTHORITY

Any measure that provides new budget or entitlement authority for fiscal year 1993 that is not included in the current level estimate for that year, if adopted and enacted, would cause the appropriate level of budget authority for that year as set forth in H. Con. Res. 287 to be exceeded.

DISCRETIONARY APPROPRIATIONS, FISCAL YEAR 1993

[In millions]

	Revised 602(b) subdivisions		Current level		Difference	
	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays
Agriculture, rural development	13,874	13,413	13,876	13,314	2	−99
Commerce, State, Judiciary	22,855	21,972	22,451	22,052	−414	80
Defense	255,677	267,021	253,944	265,874	−1,733	−1,147
District of Columbia	688	688	688	688	0	0
Energy and water development	22,080	21,409	22,080	21,409	0	0
Foreign Operations	14,701	13,301	14,701	13,300	−630	−1
Interior	12,934	12,617	12,516	12,622	−418	−5
Labor, Health and Human Services, and Education	62,309	62,393	62,389	62,358	80	−35
Legislative	2,328	2,274	2,275	2,275	−53	1
Military construction	8,397	9,370	8,396	9,365	−1	−5
Transportation	12,815	33,555	12,606	33,555	−209	−0
Treasury-Postal Service	11,288	12,008	11,248	11,986	−40	−22
VA-HUD-independent agencies	66,172	65,309	66,021	65,298	−151	−11
Grand total	506,128	535,340	502,561	534,106	−3,567	−1,234

DIRECT SPENDING LEGISLATION

[Fiscal years, in millions of dollars]

	1993		New entitlement authority	1993-97		New entitlement authority
	Budget authority	Outlays		Budget authority	Outlays	
House committee:						
Agriculture:						
Appropriate level	0	0	0	13,656	12,806	15,190
Current level	1	1	0	3	3	0
Difference	1	1	0	−13,653	−12,803	−15,190
Armed Services:						
Appropriate level	0	0	0	0	0	0
Current level	26	−41	26	313	−330	311
Difference	26	−41	26	313	−330	311
Banking, Finance and Urban Affairs:						
Appropriate level	0	0	0	0	0	0
Current level	−60	−59	0	−118	−45	0
Difference	−60	−59	0	−118	−45	0
District of Columbia:						
Appropriate level	0	0	0	0	0	0
Current level	0	0	0	0	0	0
Difference	0	0	0	0	0	0
Education and Labor:						
Appropriate level	0	0	1,472	0	0	21,564
Current level	−128	−148	1,347	−132	−177	21,384
Difference	−128	−148	−125	−132	−177	−180
Energy and Commerce:						
Appropriate level	35	35	0	187	187	0
Current level	−166	−166	−25	−601	−601	−51
Difference	−201	−201	−25	−788	−788	−51
Foreign Affairs:						
Appropriate level	0	0	0	0	0	0

DIRECT SPENDING LEGISLATION—Continued
 (Fiscal years, in millions of dollars)

	1993		New entitlement author- ity	1993-97		New entitlement author- ity
	Budget authority	Outlays		Budget authority	Outlays	
Current level	0	0	0	0	0	0
Difference	0	0	0	0	0	0
Government Operations:						
Appropriate level	0	0	0	0	0	0
Current level	-8	37	-8	-20	-20	-20
Difference	-8	37	-8	-20	-20	-20
House Administration:						
Appropriate level	0	0	0	0	0	0
Current level	0	0	0	0	0	0
Difference	0	0	0	0	0	0
Interior and Insular Affairs:						
Appropriate level	0	0	0	0	0	0
Current level	-38	-38	0	2	2	0
Difference	-38	-38	0	2	2	0
Judiciary:						
Appropriate level	251	251	251	251	139	251
Current level	210	210	260	244	244	300
Difference	-41	-41	9	-7	105	49
Merchant Marine and Fisheries:						
Appropriate level	0	0	0	0	0	0
Current level	4	4	0	-366	-366	0
Difference	4	4	0	-366	-366	0
Post Office and Civil Service:						
Appropriate level	0	0	0	0	0	0
Current level	0	0	0	0	0	0
Difference	0	0	0	0	0	0
Public Works and Transportation:						
Appropriate level	2,000	22	0	10,596	22	0
Current level	2,050	28	0	2,050	-44	0
Difference	50	6	0	-8,546	-66	0
Science, Space, and Technology:						
Appropriate level	0	0	0	0	0	0
Current level	0	0	0	0	0	0
Difference	0	0	0	0	0	0
Small Business:						
Appropriate level	0	0	0	0	0	0
Current level	0	0	0	0	0	0
Difference	0	0	0	0	0	0
Veterans' Affairs:						
Appropriate level	0	0	339	0	0	6,566
Current level	170	170	341	-76	-76	2,239
Difference	170	170	2	-76	-76	-4,327
Ways and Means:						
Appropriate level	0	0	0	352	352	1,213
Current level	3,590	3,590	3,475	5,719	5,719	5,564
Difference	3,590	3,590	3,475	5,367	5,367	4,351
Permanent Select Committee on Intelligence:						
Appropriate level	0	0	0	0	0	0
Current level	1	1	1	14	14	14
Difference	1	1	1	14	14	14

U.S. CONGRESS,
 CONGRESSIONAL BUDGET OFFICE,
 Washington, DC, July 14, 1993.

HON. MARTIN O. SABO,
 Chairman, Committee on the Budget, House of
 Representatives, Washington, DC.

DEAR MR. CHAIRMAN: Pursuant to section 308(b) and in aid of section 311 of the Congressional Budget Act, as amended, this letter and supporting detail provide an up-to-date tabulation of the on-budget current levels of new budget authority, estimated outlays, and estimated revenues for fiscal year 1993 in comparison with the appropriate levels for those items contained in the 1993 Concurrent Resolution on the Budget (H. Con. Res. 287). This report is tabulated as of close

of business July 13, 1993. A summary of this tabulation follows:

[In millions of dollars]

	House current level	Budget resolution (H. Con. Res. 287)	Current level +/- resolution
Budget authority	1,248,381	1,246,400	+1,981
Outlays	1,242,955	1,238,700	+4,255
Revenues:			
1993	849,333	845,300	+4,033
1993-97	4,807,168	4,812,900	-5,732

Since my last report, dated April 21, 1993, Congress has approved and the President has signed the CIA Voluntary Separation Incentive Act (P.L. 103-36), the Unclaimed Deposits Amendments Act (P.L. 103-44), and the

1993 Spring Supplemental (P.L. 103-50). These actions changed the current level of budget authority and outlays.

Sincerely,

ROBERT D. REISCHAUER,
 Director.

PARLIAMENTARIAN STATUS REPORT 103D CONG., 1ST SESS., HOUSE ON-BUDGET SUPPORTING DETAIL FOR FISCAL YEAR 1993 AS OF CLOSE OF BUSINESS JULY 1, 1993

[In millions of dollars]

	Budget authority	Outlays	Revenues
ENACTED IN PREVIOUS SESSIONS			
Revenues			849,333

PARLIAMENTARIAN STATUS REPORT 103D CONG., 1ST
SESS., HOUSE ON-BUDGET SUPPORTING DETAIL FOR
FISCAL YEAR 1993 AS OF CLOSE OF BUSINESS JULY 1,
1993—Continued

[In millions of dollars]

	Budget au- thority	Outlays	Revenues
Permanents and other spending legislation	764,101	737,205	
Appropriation legislation	732,061	743,943	
Offsetting receipts	(240,524)	(240,524)	
Total previously enacted	1,255,638	1,240,625	849,333
ENACTED THIS SESSION			
CIA Voluntary Separation Incentive Act (Public Law 103-36)	1	1	
Unclaimed Deposits Amendments Act (Public Law 103-44)		1	
1993 spring supplemental (Public Law 103-50)	1,003	1,199	
Total enacted this session	1,004	1,201	
ENTITLEMENTS AND MANDATORIES			
Budget resolution baseline esti- mates of appropriated entitle- ments and other mandatory programs not yet enacted ¹	(8,261)	1,130	
Total current level ²	1,248,381	1,242,955	849,333
Total budget resolution	1,246,400	1,238,700	845,300
Amount remaining:			
Under budget reso- lution			
Over budget reso- lution	1,981	4,255	4,033

¹ Includes changes to the baseline estimate for appropriated mandates due to the following legislation: Technical Correction to the Food Stamp Act (Public Law 102-265); Higher Education Amendments (Public Law 103-325); Prevent annual food stamp price adjustment (Public Law 102-351); Veterans' Compensation COLA Act (Public Law 102-510); Preventive health amendments (Public Law 102-531); Veterans' Benefits Act (Public Law 102-568); veterans' radiation exposure amendments (Public Law 102-578); and, Veterans' Health Care Act (Public Law 102-585).

² In accordance with the Budget Enforcement Act, the total does not include the following in emergency funding:

[In millions of dollars]

	Budget authority	Outlays
Public Law:		
102-229		712
102-266		33
102-302		380
102-368	959	5,873
102-381	218	13
103-6	3,322	3,322
103-50		(30)
Total	4,500	10,303

Note.—Amounts in parentheses are negative. Detail may not add due to rounding.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. FROST (at the request of Mr. GEPHARDT) for today, on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mrs. MORELLA) to revise and extend their remarks and to include extraneous matter:)

Mr. DELAY for 60 minutes today.

Mr. GOSS for 5 minutes today.

Mr. LINDER for 60 minutes today.

Mr. HORN for 60 minutes on July 26.

Mrs. BENTLEY for 60 minutes on July 29 and 30; 60 minutes on August 2, 3, 4, and 5; 60 minutes on September 7, 8, 9, 14, 15, 16, and 17.

(The following Members (at the request of Mr. ROMERO-BARCELO) to revise and extend their remarks and to include extraneous matter:)

Mr. STARK for 5 minutes today.

Mr. SABO for 5 minutes today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mrs. MORELLA) and to include extraneous matter:)

Ms. MOLINARI.

Mr. HUNTER.

Mr. CLINGER in two instances.

Mr. FIELDS of Texas.

Ms. SNOWE.

Mr. HORN.

(The following Members (at the request of Mr. ROMERO-BARCELO) and to include extraneous matter:)

Mr. STARK.

Mr. BORSKI.

Mr. DELLUMS.

Mr. TORRICELLI.

Mr. TORRES.

Mr. HAMILTON.

Mr. SWETT.

Mr. MINETA.

(The following Members (at the request of Mr. OWENS of New York) and to include extraneous matter:)

Mr. YATES.

Mr. FRANK of Massachusetts.

Mr. GILLMOR.

Mrs. SCHROEDER.

Mr. SANDERS.

Mr. CARDIN.

Mr. MORAN.

Mr. HAMILTON.

Mr. POMEROY.

Ms. ESHOO.

Mr. SERRANO.

Mr. TRAFICANT.

Mr. GOODLING.

Mr. DORNAN.

Mr. HORN.

ADJOURNMENT

Mr. OWENS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 10 o'clock and 49 minutes p.m.) the House adjourned until tomorrow, Thursday, July 22, 1993, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

1623. Under clause 2 of rule XXIV, a letter from the Chairman, Board of Governors of the Federal Reserve System, transmitting the Board's Monetary Policy Report for 1993, pursuant to 12 U.S.C. 225a, was taken from the Speaker's table and referred to the Committee on Banking, Finance and Urban Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk

for printing and reference to the proper calendar, as follows:

Mr. DELLUMS: Committee on Armed Services. H.R. 2330. A bill to authorize appropriations for fiscal year 1994 for intelligence and intelligence-related activities of the U.S. Government and the Central Intelligence Agency Retirement and Disability System, and for other purposes (Rept. 103-162, Pt. 2). Referred to the Committee of the Whole House on the State of the Union.

Mr. FORD of Michigan: Committee on Education and Labor. H.R. 2351. A bill to authorize appropriations for fiscal years 1994 and 1995 to carry out the National Foundation on the Arts and the Humanities Act of 1965, and the Museum Services Act (Rept. 103-186). Referred to the Committee of the Whole House on the State of the Union.

Mr. WHEAT: Committee on Rules. House Resolution 220. Resolution providing for consideration of the bill (H.R. 2667) making emergency supplemental appropriations for relief from the major, widespread flooding in the Midwest for the fiscal year ending September 30, 1993, and for other purposes (Rept. 103-187). Referred to the House Calendar.

Mr. GORDON: Committee on Rules. House Resolution 221. Resolution waiving certain points of order against the bill (H.R. 2490) making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1994, and for other purposes (Rept. 103-188). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. FORD of Michigan (for himself and Mr. GOODLING):

H.R. 2683. A bill to extend the operation of the migrant student record transfer system: to the Committee on Education and Labor.

By Mr. STUDDS (for himself, Mr.

FIELDS of Texas, Mr. MANTON, Mr. ORTIZ, Mr. TORKILSEN, Mr. ACKERMAN, Mr. LIPINSKI, Mr. WELDON, Mr. HUGHES, Mr. HOCHBRUECKNER, Mr. LANCASTER, Mr. HASTINGS, Mr. GILCHREST, Mr. RAVENEL, Mr. GENE GREEN of Texas, Mr. CUNNINGHAM, Mr. YOUNG of Alaska, Mr. DEUTSCH, Mr. BARLOW, Ms. SCHENK, Mr. STUPAK, Mr. TAYLOR of North Carolina, Mr. SAXTON, Ms. FURSE, and Mrs. BENTLEY):

H.R. 2684. A bill to reauthorize and amend the National Fish and Wildlife Foundation Establishment Act; to the Committee on Merchant Marine and Fisheries.

By Ms. NORTON (for herself and Mrs.

MORELLA):
H.R. 2685. A bill to amend title 5, United States Code, to extend the Federal Physicians Comparability Allowance Act of 1978, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. WHEAT (for himself, Ms.

DANNER, Mr. SKELTON, Mr. CLAY, Mr. VOLKMER, Mr. GEPHARDT, and Mr. EMERSON):

H.R. 2686. A bill to amend the Small Business Act to reduce the interest rates on disaster loans provided by the Small Business Administration for losses resulting from flooding in Midwest communities participating in the national flood insurance program; to the Committee on Small Business.

By Mr. WHEAT (for himself, Ms. DANNER, Mr. SKELTON, Mr. VOLKMER,

Mr. CLAY, Mr. GEPHARDT, and Mr. EMERSON):

H.R. 2687. A bill to amend the Small Business Act to reduce the interest rates on disaster loans provided by the Small Business Administration for losses resulting from flooding in the Midwest; to the Committee on Small Business.

By Mr. BOUCHER:

H.R. 2688. A bill to amend the Agricultural Adjustment Act of 1938 to revise the reserve stock level for Burley tobacco; to the Committee on Agriculture.

By Mr. DE LA GARZA (for himself (by request), Mr. ROBERTS, Mr. JOHNSON of South Dakota, Mr. PENNY, Mr. EMERSON, and Mr. ALLARD):

H.R. 2689. A bill to amend Public Law 100-518 and the U.S. Grain Standards Act to extend through September 30, 1998, the authority of the Federal Grain Inspection Service to collect fees to cover administrative and supervisory costs, and for other purposes; to the Committee on Agriculture.

By Mr. FAZIO:

H.R. 2690. A bill relating to the tariff treatment of Benthocarb; to the Committee on Ways and Means.

By Mr. PAXON (for himself, Mr. BOEHLE, Mr. MCNULTY, Ms. MALONEY, and Ms. MOLINARI):

H.R. 2691. A bill to amend title 38, United States Code, to provide that future increases in the monthly amount paid by the State of New York to blind disabled veterans shall be excluded from the determination of annual income for purposes of the payment of pension by the Secretary of Veterans Affairs; to the Committee on Veterans' Affairs.

By Mr. PETERSON of Florida:

H.R. 2692. A bill to improve the ability of the Federal Government to prepare for and respond to major disasters, and for other purposes; jointly, to the Committees on Public Works and Transportation and Armed Services.

By Mr. POMEROY:

H.R. 2693. A bill to amend the Agricultural Adjustment Act of 1938 to limit the imposition of civil money penalties for violations of marketing allotments for sugar and crystalline fructose to those violations that are knowingly committed; to the Committee on Agriculture.

By Mrs. SCHROEDER (for herself and Ms. SNOWE):

H.R. 2694. A bill to amend the Federal Food, Drug, and Cosmetic Act and the Public Health Service Act to require special testing for drugs and biological products used by women; to the Committee on Energy and Commerce.

H.R. 2695. A bill to amend the Federal Food, Drug, and Cosmetic Act and the Public Health Service Act to require the inclusion of women and minorities in clinical investigations of new drugs, biological products, and medical devices; to the Committee on Energy and Commerce.

By Ms. SNOWE:

H.R. 2696. A bill to amend the State Department Basic Authorities Act to provide for the payment of rewards for information regarding acts of international terrorism in the United States; to the Committee on Foreign Affairs.

By Mr. TANNER:

H.R. 2697. A bill to provide that certain service in the American Field Service ambulance corps shall be considered active duty for the purposes of all laws administered by the Secretary of Veterans Affairs; to the Committee on Veterans' Affairs.

By Mr. TORRICELLI:

H.R. 2698. A bill to require persons entering into contracts with the Department of De-

fense to report commercial transactions they conduct with any terrorist country; to the Committee on Armed Services.

By Mr. WILSON:

H.R. 2699. A bill to add the Sabine River Blue Elbow Unit and the Addition to the Lower Neches River Corridor Unit to the Big Thicket National Preserve; to the Committee on Natural Resources.

By Mr. TAUZIN:

H.R. 2700. A bill to extend until January 1, 1998, certain previously existing temporary duty suspensions; to the Committee on Ways and Means.

H.R. 2701. A bill to extend the previously existing temporary reduction of duty on caffeine; to the Committee on Ways and Means.

By Mr. FALEOMAVAEGA:

H.R. 2702. A bill to amend the District of Columbia Stadium Act of 1957 to authorize the construction, maintenance, and operation of a new stadium in the District of Columbia, and for other purposes; to the Committees on the District of Columbia and Natural Resources.

By Mr. FIELDS of Texas (for himself and Mr. MARKEY):

H.R. 2703. A bill to require the National Telecommunications and Information Administration of the Department of Commerce to conduct a study of the feasibility of establishing a satellite-based educational network to provide educational programming to African children; to the Committee on Energy and Commerce.

By Mr. PORTER (for himself, Mr. LANTOS, Mr. HAMILTON, Mr. GILMAN, Mr. HOYER, Mr. HYDE, Mr. ACKERMAN, Mr. BURTON of Indiana, Mr. GEJENSON, Mr. MCNULTY, Mr. PETERSON of Minnesota, Mr. SWETT, Ms. SLAUGHTER, Mr. KOPETSKI, Mr. ABERCROMBIE, Mr. LIPINSKI, Mr. SERRANO, Mr. HUGHES, Mr. SCHIFF, Mr. MACHTELEY, Mr. WAXMAN, Ms. ROS-LEHTINEN, Mr. DELUMS, Mr. BROWN of California, Mrs. MORELLA, Mr. FROST, Mr. BARCA of Wisconsin, Mr. SABO, Mr. DEUTSCH, Ms. MALONEY, Mr. FISH, Mr. BERMAN, Mr. HINCHEY, Mr. SMITH of New Jersey, Mr. HALL of Ohio, Mrs. UNSOELD, Mr. SCHUMER, Mr. SPRATT, Mr. LEACH, Mr. MYERS of Indiana, Mr. FINGERHUT, Mr. HASTINGS, and Mr. ENGEL):

H. Con. Res. 124. Concurrent resolution concerning the emancipation of the Iranian Baha'i community; to the Committee on Foreign Affairs.

By Ms. SNOWE:

H. Con. Res. 125. Concurrent resolution concerning the establishment of independent inspectors general at international organizations; to the Committee on Foreign Affairs.

By Mr. HOYER:

H. Res. 219. Resolution designating majority membership on certain standing committees of the House; considered and agreed to.

By Mr. WHEAT:

H. Res. 220. Resolution providing for consideration of the bill (H.R. 2667) making emergency supplemental appropriations for relief from the major, widespread flooding in the Midwest for the fiscal year ending September 30, 1993, and for other purposes; House Calendar No. 70. House Report No. 103-187.

By Mr. GORDON:

H. Res. 221. Resolution waiving certain points of order against the bill (H.R. 2490) making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1994, and for other purposes; House Calendar No. 71. House Report No. 103-188.

By Mr. MICHEL:

H. Res. 222. Resolution providing for the public release of documentation and testimony before the House Post Office Task Force; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

H.R. 2704. Mr. PETERSON of Florida introduced a bill to authorize the Secretary of Transportation to issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade of the United States for the vessel *Gypsy Cowboy*; which was referred to the Committee on Merchant Marine and Fisheries.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 171: Mr. JOHNSON of Georgia.

H.R. 425: Mr. CARDIN, Mr. CLEMENT, Mr. CUNNINGHAM, Mr. DEUTSCH, Mr. FOGLIETTA, Mr. GIBBONS, Mr. GREENWOOD, Ms. HARMAN, Mr. HINCHEY, Ms. LAMBERT, Mr. LANCASTER, Mr. MANTON, Ms. MARGOLIES-MEZVINSKY, Mr. MENENDEZ, Mr. PARKER, Mr. SYNAR, Ms. THURMAN, Ms. VELAZQUEZ, and Ms. WATERS.

H.R. 427: Mr. CARDIN, Mr. CUNNINGHAM, Mr. DEUTSCH, Mr. FOGLIETTA, Mr. GIBBONS, Mr. GILLMOR, Mr. GREENWOOD, Ms. HARMAN, Mr. HINCHEY, Mr. KINGSTON, Ms. LAMBERT, Mr. LANCASTER, Mr. LEWIS of Florida, Mr. MANTON, Ms. MARGOLIES-MEZVINSKY, Mr. MENENDEZ, Mr. PARKER, Mr. SCHUMER, Mr. SYNAR, Ms. THURMAN, Ms. VELAZQUEZ, and Ms. WATERS.

H.R. 462: Mr. VALENTINE, Mr. McMILLAN, Ms. THURMAN, Mr. MURPHY, Mr. ROSE, Mr. STUMP, Mr. BRYANT, and Mr. YOUNG of Alaska.

H.R. 558: Mr. GILCHREST, Mr. ACKERMAN, Mr. WYNN, Mr. MICA, Mr. BAKER of California, Mr. ABERCROMBIE, Mr. GIBBONS, Mr. KANJORSKI, Mr. KYL, Mr. KIM, Mr. GENE GREEN of Texas, Mr. DINGELL, Ms. DELAURO, and Ms. SLAUGHTER.

H.R. 688: Mr. PARKER and Mr. CASTLE.

H.R. 749: Mr. WELDON and Mr. ENGEL.

H.R. 794: Mr. VENTO.

H.R. 795: Mr. CLYBURN.

H.R. 821: Mr. UNDERWOOD.

H.R. 830: Mr. YOUNG of Alaska, Mr. QUINN, Mr. SANTORUM, Mr. LEWIS of Florida, and Mr. BREWSTER.

H.R. 894: Mr. ORTON.

H.R. 911: Mr. PETE GEREN of Texas.

H.R. 937: Mr. JEFFERSON and Mr. LANTOS.

H.R. 962: Mr. SMITH of New Jersey and Mr. QUILLLEN.

H.R. 1009: Mr. PAXON.

H.R. 1015: Mr. RICHARDSON.

H.R. 1120: Mr. WASHINGTON.

H.R. 1141: Mr. MILLER of Florida.

H.R. 1257: Ms. ESHOO.

H.R. 1295: Mr. BROWN of Ohio and Mr. KIM.

H.R. 1309: Mr. LANCASTER, Mr. KIM, Mr. ENGEL, Mr. KYL, and Mr. CRANE.

H.R. 1322: Mr. COYNE and Mr. ANDREWS of New Jersey.

H.R. 1406: Mr. MORAN, Ms. ROYBAL-ALLARD, Mr. THORNTON, Mr. HOEKSTRA, Mr. FARR, and Mr. ENGEL.

H.R. 1438: Mr. HASTINGS.

H.R. 1457: Mr. SHAYS, Mr. SCOTT, Mrs. SCHROEDER, Mr. YATES, Mr. Gutierrez, Mr. ANDREWS of New Jersey, Mr. McDERMOTT, Mr. BILBRAY, Mr. HINCHEY, Mr. ENGEL, and Mr. COYNE.

H.R. 1489: Mr. REED.
 H.R. 1504: Mr. OLVER.
 H.R. 1519: Mr. ABERCROMBIE.
 H.R. 1552: Mr. ENGEL and Mr. PAXON.
 H.R. 1595: Mr. BROWN of California.
 H.R. 1604: Ms. SLAUGHTER, Mr. FAWELL, and Mr. MICA.
 H.R. 1617: Mr. DURBIN, Mr. FAWELL, Mr. REYNOLDS, and Mr. YATES.
 H.R. 1627: Mr. PETERSON of Florida, Mr. HANSEN, Mrs. LLOYD, Mr. SOLOMON and Mr. NEAL of North Carolina.
 H.R. 1707: Mr. PARKER.
 H.R. 1878: Mr. STRICKLAND.
 H.R. 1923: Mr. DIXON, Mr. ENGLISH of Oklahoma, and Mr. McDERMOTT.
 H.R. 1933: Mr. DICKS and Mrs. UNSOELD.
 H.R. 1957: Mrs. LLOYD.
 H.R. 1987: Mr. NEAL of Massachusetts.
 H.R. 2050: Mr. EVANS.
 H.R. 2101: Mr. JOHNSON of Georgia.
 H.R. 2159: Ms. KAPTUR.
 H.R. 2199: Ms. ESHOO.
 H.R. 2241: Mr. BARLOW.
 H.R. 2253: Mr. SPENCE.
 H.R. 2254: Mrs. VUCANOVICH.
 H.R. 2315: Mr. SOLOMON.
 H.R. 2394: Mr. MARKEY and Mr. WASHINGTON.
 H.R. 2395: Mr. MARKEY and Mr. WASHINGTON.
 H.R. 2396: Mr. TORKILDSEN.
 H.R. 2415: Mr. FAWELL, Mr. DeLAY, Mr. ARCHER, Mr. DREIER, and Mr. HERGER.

H.R. 2456: Mr. HUGHES, Mr. SMITH of New Jersey, Mr. WYNN, and Mr. HASTINGS.
 H.R. 2467: Ms. BYRNE, Mr. DIAZ-BALART, Mr. FROST, Mr. HUTTO, Mrs. LLOYD, Mr. MYERS of Indiana, Ms. NORTON, Mr. PARKER, Mrs. ROUKEMA, Mr. SLATTERY, Mr. THORNTON, and Mr. WOLF.
 H.R. 2602: Mr. HOCHBRUECKNER, Mr. OXLEY, and Ms. MOLINARI.
 H.R. 2654: Mr. THOMAS of Wyoming and Mr. MCCRERY.
 H.R. 2661: Mr. BARLOW.
 H.J. Res. 11: Mr. ABERCROMBIE, Mr. ARCHER, Mr. BOEHLERT, Mr. BORSKI, Mr. CLYBURN, Mr. KANJORSKI, Mr. KNOLLENBERG, Mr. PARKER, Mr. PETERSON of Florida, Mr. POSHARD, Mr. QUINN, and Mr. SCHUMER.
 H.J. Res. 77: Mr. DEUTSCH.
 H.J. Res. 79: Mr. CALLAHAN, Mr. CRAPO, Mr. DEAL, Mr. DE LA GARZA, Mr. EDWARDS of Texas, Mr. EWING, Mr. GEKAS, Mr. GINGRICH, Mr. HYDE, Mr. JACOBS, Mr. KENNEDY, Mr. KLECZKA, Mr. KREIDLER, Mr. LEACH, Mr. LEVIN, Mr. LIVINGSTON, Mr. MANTON, Mrs. MEEK, Mrs. MORELLA, Mr. POSHARD, Mr. PRICE of North Carolina, Mr. RAHALL, Mr. REYNOLDS, Mr. ROGERS, Mr. SARPALIUS, Mr. SKEEN, Mr. TAYLOR of North Carolina, Ms. THURMAN, Mr. WAXMAN, Mr. HEFNER, Mr. LANCASTER, Mr. LEWIS of California, Mr. MCHUGH, Mr. SWETT, Mr. TORRICELLI, Mr. UNDERWOOD, and Mr. YOUNG of Florida.

H.J. Res. 86: Ms. SLAUGHTER, Mrs. VUCANOVICH, Mr. McNULTY, Mr. VALENTINE, and Mr. PASTOR.
 H.J. Res. 106: Mr. CRAMER, Mr. FAZIO, Mr. JEFFERSON, Mr. MINETA, Mrs. MINK, Mr. MYERS of Indiana, Mr. PICKETT, and Mr. SHAW.
 H.J. Res. 145: Mr. PACKARD, Mr. MICHEL, Mr. BILIRAKIS, Mr. COBLE, Mr. SHAW, Mr. SPENCE, Mr. WOLF, and Mr. GALLEGLY.
 H.J. Res. 157: Mr. HYDE, Mr. OXLEY, Mr. MANZULLO, Mr. YOUNG of Florida, Mr. BILIRAKIS, Mr. LEWIS of Florida, Mr. REGULA, Mr. HOBSON, Mr. GILCHREST, Mr. UPTON, Mr. LAZIO, and Mr. BURTON of Indiana.
 H.J. Res. 198: Mr. SARPALIUS and Mr. MOLLOHAN.
 H.J. Res. 204: Mr. BEILENSEN, Mr. DeFAZIO, Mr. SHAYS, Mr. DELLUMS, Mr. GONZALEZ, Mr. GEKAS, Mr. LEWIS of Florida, and Mr. KENNEDY.
 H. Res. 134: Mr. ENGLISH of Oklahoma.
 H. Res. 143: Ms. DUNN and Mr. POMBO.
 H. Res. 148: Mr. CAMP.
 H. Res. 175: Mr. MCMILLAN.
 H. Res. 188: Mr. FROST, Ms. NORTON, Mr. WYNN, Mrs. SCHROEDER, Mr. MACHTLEY, and Mr. TORRICELLI.
 H. Res. 202: Ms. DANNER, Mr. BONIOR, Mr. INSLEE, and Ms. MARGOLIES-MEZVINSKY.